

EIGHTY-EIGHTH DAY

St. Paul, Minnesota, Tuesday, April 5, 2022

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Pastor Mike Smith.

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

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

Abeler	Draheim	Ingebrigtsen	Marty	Rest
Anderson	Duckworth	Isaacson	Mathews	Rosen
Bakk	Dziedzic	Jasinski	McEwen	Ruud
Benson	Eaton	Johnson	Miller	Senjem
Bigham	Eichorn	Johnson Stewart	Murphy	Tomassoni
Carlson	Eken	Kent	Nelson	Torres Ray
Chamberlain	Fateh	Kiffmeyer	Newman	Utke
Champion	Frentz	Klein	Newton	Weber
Clausen	Gazelka	Koran	Osmek	Westrom
Coleman	Goggin	Kunesh	Pappas	Wiger
Cwodzinski	Hawj	Lang	Port	Wiklund
Dahms	Hoffman	Latz	Pratt	
Dibble	Housley	Limmer	Putnam	
Dornink	Howe	López Franzen	Rarick	

Pursuant to Rule 14.1, the President announced the following members intend to vote under Rule 40.7: Carlson, Eaton, Eken, Fateh, Gazelka, Howe, Ingebrigtsen, Isaacson, Johnson, Johnson Stewart, Kiffmeyer, Latz, McEwen, Newman, Newton, Pappas, Port, and Tomassoni.

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 communication was received.

April 5, 2022

The Honorable David J. Osmek
President of the Senate

Dear Senator Osmek:

Pursuant to Senate Rule 8.2, the following appointments have been withdrawn from the following committee and placed on the Confirmation Calendar:

From the Committee on Education Finance and Policy, to which were referred the following appointments as reported in the Journal for March 18, 2021:

PROFESSIONAL EDUCATOR LICENSING AND STANDARDS BOARD

Brian Rappe
May Thor

Sincerely,
Cal R. Ludeman
Secretary of the Senate

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 2736.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned April 4, 2022

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1442, 3013, 3296, 3620, 3989, and 4065.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted April 4, 2022

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 1442: A bill for an act relating to the military; modifying the Minnesota Code of Military Justice; making changes to data provisions; modifying certain requirements and qualifications; making jurisdictional and appellate changes; providing punitive article updates; providing punishable offenses under the military code; providing penalties; amending Minnesota Statutes 2020, sections 192.67; 192A.02, subdivision 2; 192A.021; 192A.111; 192A.15, subdivisions

1, 2; 192A.155, subdivision 2; 192A.20; 192A.235, subdivision 3; 192A.343, subdivision 3; 192A.353, subdivision 2; 192A.371; 192A.384; 192A.56; 192A.612; 192A.62; 606.06; proposing coding for new law in Minnesota Statutes, chapter 192A; repealing Minnesota Statutes 2020, section 192A.385.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 724, now on General Orders.

H.F. No. 3013: A bill for an act relating to crime; providing for classified employees of the Minnesota Sentencing Guidelines Commission; amending Minnesota Statutes 2020, section 244.09, subdivision 10.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2669, now on General Orders.

H.F. No. 3296: A bill for an act relating to motor vehicles; amending various requirements governing motor vehicle titles and disclosure; making technical and clarifying changes; amending Minnesota Statutes 2020, sections 168A.01, subdivision 17b, by adding a subdivision; 168A.04, subdivisions 1, 4; 168A.05, subdivision 3; 168A.151, subdivision 1; 168A.152, subdivisions 1, 1a; 325F.662, subdivision 3; 325F.6641; 325F.6642; 325F.665, subdivision 14; repealing Minnesota Statutes 2020, sections 168A.01, subdivision 17a; 325F.6644.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3072, now on General Orders.

H.F. No. 3620: A bill for an act relating to labor and industry; allowing a licensed residential building contractor to receive an installation seal for the installation of used manufactured homes; clarifying that a used manufactured home may bear a label or data plate; amending Minnesota Statutes 2020, section 327.32, subdivisions 1a, 1e.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3413, now on General Orders.

H.F. No. 3989: A bill for an act relating to health; adding physician assistants to certain statutes; modifying references to advanced practice registered nurses; amending Minnesota Statutes 2020, sections 13.83, subdivision 2; 62A.15, subdivision 4, by adding a subdivision; 62A.3091, subdivision 2; 62D.09, subdivision 1; 62E.06, subdivision 1; 62J.17, subdivision 4a; 62J.48; 62J.823, subdivision 3; 62Q.184, subdivision 1; 62Q.57, subdivision 1; 62Q.73, subdivision 7; 62Q.733, subdivision 3; 62Q.74, subdivision 1; 62S.02, subdivision 5; 62S.08, subdivision 3; 62S.20, subdivision 5b; 62S.21, subdivision 2; 62S.268, subdivision 1; 97B.055, subdivision 3; 97B.106, subdivision 1; 97B.1115; 125A.02, subdivision 1; 144.3345, subdivision 1; 144.3352; 144.34; 144.441, subdivisions 4, 5; 144.442, subdivision 1; 144.4803, subdivisions 1, 4, 10, by adding a subdivision; 144.4806; 144.4807, subdivisions 1, 2, 4, 7; 144.50, subdivision 2; 144.55, subdivisions 2, 6; 144.6501, subdivision 7; 144.651, subdivisions 7, 8, 9, 10, 12, 14, 31, 33; 144.652, subdivision 2; 144.69; 144.7402, subdivision 2; 144.7406, subdivision 2; 144.7407, subdivision 2; 144.7414, subdivision 2; 144.7415, subdivision 2; 144.9502, subdivision 4; 144.966, subdivisions 3, 6; 144A.135; 144A.161, subdivisions 5, 5a, 5e, 5g; 144A.471, subdivision 7; 144A.4791, subdivision 13; 144A.75, subdivisions 3, 6; 144A.752, subdivision 1; 144G.08, by adding a subdivision; 144G.70, subdivision 7; 145.853, subdivision 5; 145.892, subdivision 3; 145.94, subdivision 2; 145B.13; 145C.02; 145C.05, subdivision

2; 145C.06; 145C.07, subdivision 1; 145C.16; 147A.27, subdivision 1; 148.6438, subdivision 1; 151.01, subdivision 27; 151.19, subdivision 4; 151.21, subdivision 4a; 151.37, subdivision 12; 152.22, subdivision 4; 152.32, subdivision 3; 176.011, subdivision 12a; 245.50, subdivision 5; 245A.143, subdivisions 2, 7, 8; 245A.1435; 245C.02, subdivision 18; 245C.04, subdivision 1; 245D.02, subdivision 11; 245D.22, subdivision 7; 245D.25, subdivision 2; 245F.02, subdivision 13; 245F.09, subdivision 2; 245G.08, subdivisions 2, 3, 5; 245G.21, subdivisions 2, 3; 245H.11; 246.711, subdivision 2; 246.715, subdivision 2; 246.716, subdivision 2; 246.721; 246.722; 251.043, subdivision 1; 253B.02, subdivision 9; 253B.03, subdivisions 4, 6d; 253B.06, subdivision 2; 253B.23, subdivision 4; 254A.08, subdivision 2; 256.9685, subdivisions 1a, 1b, 1c; 256.975, subdivisions 7a, 7b, 11; 256B.055, subdivision 12; 256B.0575, subdivision 1; 256B.0595, subdivision 3; 256B.0622, subdivision 2b; 256B.0625, subdivisions 2, 12, 26, 60a; 256B.0659, subdivisions 2, 4, 8, 27; 256B.0913, subdivision 8; 256B.0949, subdivision 5; 256B.73, subdivision 5; 256R.44; 256R.54, subdivisions 1, 2; 257.63, subdivision 3; 257B.01, subdivisions 3, 9, 10; 257B.06, subdivision 7; 259.24, subdivision 2; 260C.007, subdivision 6; 383A.13, subdivisions 3, 6; 609.341, subdivision 17; Minnesota Statutes 2021 Supplement, sections 62J.23, subdivision 2; 144G.08, subdivision 9; 147.091, subdivision 1; 151.37, subdivision 2; 252A.02, subdivision 12; 252A.04, subdivision 2; 252A.20, subdivision 1; 256B.0625, subdivisions 17, 28a, 49; 256B.0659, subdivision 11; 256B.0947, subdivision 3a; 256B.0949, subdivisions 4, 5a; 256P.01, subdivision 6a; repealing Minnesota Statutes 2020, sections 147A.01, subdivision 23; 151.37, subdivision 2a.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3501, now on General Orders.

H.F. No. 4065: A bill for an act relating to human services; recodifying long-term care consultation services; amending Minnesota Statutes 2020, sections 144.0724, subdivision 11; 256.975, subdivisions 7a, 7b, 7c, 7d; 256B.051, subdivision 4; 256B.0646; 256B.0659, subdivision 3a; 256B.0911, subdivisions 1, 3c, 3d, 3e, by adding subdivisions; 256B.0913, subdivision 4; 256B.092, subdivisions 1a, 1b; 256B.0922, subdivision 1; 256B.49, subdivisions 12, 13; 256S.02, subdivisions 15, 20; 256S.06, subdivisions 1, 2; 256S.10, subdivision 2; Minnesota Statutes 2021 Supplement, sections 144.0724, subdivisions 4, 12; 256B.49, subdivision 14; 256B.85, subdivisions 2, 5; 256S.05, subdivision 2; repealing Minnesota Statutes 2020, section 256B.0911, subdivisions 2b, 2c, 3, 3b, 3g, 4d, 4e, 5, 6; Minnesota Statutes 2021 Supplement, section 256B.0911, subdivisions 1a, 3a, 3f.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3816, now on General Orders.

REPORTS OF COMMITTEES

Senator Miller moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 4209, 4045, and 3249. The motion prevailed.

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

S.F. No. 4062: A bill for an act relating to state government; appropriating money for environment and natural resources and tourism; modifying previous appropriations; establishing new programs and modifying existing programs; modifying fees; creating accounts; authorizing sales and conveyances of certain land; modifying environmental laws; modifying game and fish

laws; modifying water laws; modifying natural resource and environment laws; modifying mining laws; requiring reports; making technical corrections; amending Minnesota Statutes 2020, sections 84.027, subdivision 14a, by adding a subdivision; 84.632; 84.788, subdivision 5; 84.82, subdivision 2, by adding a subdivision; 84.821, subdivision 2; 84.84; 84.86, subdivision 1; 84.922, subdivision 4; 85.015, subdivision 10; 90.181, subdivision 2; 97A.015, subdivisions 29, 51; 97A.126, as amended; 97A.137, subdivisions 3, 5; 97A.405, subdivision 5; 97B.031, subdivision 1, by adding a subdivision; 97B.071; 97B.311; 97B.415; 97B.645, subdivision 9; 97B.668; 97C.211, subdivision 2a; 97C.315, subdivision 1; 97C.515, subdivision 2; 103G.201; 103G.211; 103G.223; 103G.271, subdivision 7, by adding a subdivision; 103G.285, by adding a subdivision; 103G.287, subdivisions 4, 5, by adding subdivisions; 103G.289; 115.03, subdivision 1; 115.455; 115.55, by adding a subdivision; 115.77, subdivision 1; 115.84, subdivisions 2, 3; 115A.03, subdivision 35, by adding subdivisions; 115B.52, subdivision 4; 116.03, subdivision 2b; 116.07, subdivision 4d, by adding a subdivision; 116B.03, subdivision 1; 116B.10, by adding a subdivision; 116D.04, subdivision 2a; 116U.55, by adding a subdivision; 127A.353, subdivision 2; 282.04, subdivision 1, by adding a subdivision; 282.08; 297A.94; Minnesota Statutes 2021 Supplement, sections 84.63; 84.631; 84.92, subdivision 8; 85.052, subdivision 6; 92.502; 103G.271, subdivision 4a; 127A.353, subdivision 4; Laws 2021, First Special Session chapter 6, article 1, section 2, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 93; 115A; repealing Minnesota Statutes 2020, sections 97B.318; 97C.515, subdivisions 4, 5; Laws 2012, chapter 236, section 28, subdivision 9, as amended; Laws 2013, chapter 121, section 53; Minnesota Rules, parts 6100.5000, subparts 3, 4, 5; 6100.5700, subpart 4; 6232.0350.

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

Page 2, line 18, delete "3,843,000" and insert "4,093,000"

Page 2, line 21, delete "2,343,000" and insert "2,593,000"

Page 4, after line 14, insert:

"(g) \$250,000 the second year is from the environmental fund for a grant to the Red River Basin Commission to facilitate development of a feasibility assessment of adaptive phosphorus management for the Red River of the North. This is a onetime appropriation and is available until December 31, 2023."

Page 67, line 19, delete "A"

Page 67, delete lines 20 to 26

Page 79, delete section 75

Page 80, after line 10, insert:

"Sec. 77. PFAS MONITORING PLAN EXPENSES.

Notwithstanding any other provision of law, the commissioner of the Pollution Control Agency shall not require a person, facility, or other entity to monitor PFAS as part of its March 2022 PFAS monitoring plan unless the monitoring can be done at no cost to the person, facility, or other entity or unless the commissioner agrees to reimburse the person, facility, or other entity for all costs of the monitoring. Nothing in this section shall be construed to prohibit:

- (1) voluntary compliance with an agency request to monitor PFAS;
- (2) compliance with a PFAS monitoring requirement that is not part of the March 2022 PFAS monitoring plan; or
- (3) a PFAS monitoring requirement imposed as a result of a known release or threatened release of PFAS from a facility.

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

Sec. 78. **RED RIVER OF THE NORTH; ADAPTIVE PHOSPHORUS MANAGEMENT FEASIBILITY ASSESSMENT.**

Subdivision 1. **Assessment contents.** The Red River Basin Commission must facilitate the development of a feasibility assessment of adaptive phosphorus management for the Red River of the North. The commission may contract with outside experts or academic institutions in developing the assessment. The assessment:

- (1) must address applicable water quality targets for phosphorous loading;
- (2) must include an allocation of phosphorus between point and nonpoint sources;
- (3) must identify cost-effective nutrient reduction implementation strategies; and
- (4) may include other state water quality goals and objectives.

Subd. 2. **Advisory group.** In developing the assessment, the Red River Basin Commission shall work in cooperation with an advisory group consisting of representatives from the Minnesota Agricultural Water Resource Center, the Red River Watershed Management Board, other agricultural groups, soil and water conservation districts, watershed districts, cities, and other Minnesota organizations represented on the board of directors of the Red River Basin Commission. The Red River Basin Commission may also work with representatives from similar organizations from North Dakota, South Dakota, and Manitoba.

Subd. 3. **Reporting.** By June 30, 2024, the Red River Basin Commission must submit the final assessment to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over agriculture policy and finance. By December 31 of each year prior to the submission of the final assessment, the commission must submit a progress report on the assessment's development to these same recipients."

Renumber the sections in sequence

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

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

S.F. No. 4019: A bill for an act relating to agriculture; establishing cooperative grants for farmers; establishing an agricultural best management practices grant program; making policy and technical changes to agricultural provisions; requiring reports; appropriating money; establishing the broadband line extension program; extending use of utility easements for broadband; amending Minnesota Statutes 2020, sections 13.643, by adding a subdivision; 17.117, subdivisions 9, 9a, 10, 11, 11a; 18E.04, subdivision 4; 40A.18, subdivision 2; 41B.025, by adding a subdivision; 116J.396, subdivision 2; 223.17, subdivisions 4, 6; 346.155, subdivision 7; Minnesota Statutes 2021 Supplement, sections 35.155, subdivision 14; 41A.21, subdivision 2; Laws 2021, First Special Session chapter 3, article 1, sections 2; 4; Laws 2021, First Special Session chapter 10, article 1, section 7; proposing coding for new law in Minnesota Statutes, chapters 17; 116J.

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

Page 23, line 5, after "to" and insert "organizations to provide technical assistance and culturally appropriate services to emerging farmers with preference given to organizations that serve African immigrants and refugees and African-American populations. This is a onetime appropriation."

Page 23, delete lines 6 and 7

Page 23, line 8, delete everything before "No"

Page 42, line 7, delete everything after "(c)"

Page 42, line 8, delete everything before the semicolon

Page 45, after line 3, insert

"ARTICLE 5**HOUSING APPROPRIATIONS**Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to the appropriations in Laws 2021, First Special Session chapter 8, or other law, to specified agencies. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2022</u>	<u>2023</u>

Sec. 2. **HOUSING FINANCE AGENCY**

Subdivision 1. Total Appropriation**\$ 50,000,000**

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

(b) Unless otherwise specified, this appropriation is for transfer to the housing development fund for the programs specified in this section.

Subd. 2. Workforce Homeownership Program**10,000,000**

This appropriation is for the workforce homeownership program under Minnesota Statutes, section 462A.38. This is a onetime appropriation.

Subd. 3. Homeownership Investment Grants**35,000,000**

This appropriation is for homeownership investment grants under section 4. This is a onetime appropriation.

Subd. 4. Targeted Loan Pool**5,000,000**

This appropriation is for a grant to Build Wealth Minnesota to establish the 9,000 Equities Fund, a targeted loan pool, to provide affordable first mortgages or equivalent financing opportunities to households struggling to access mortgages in underserved communities of color. The goal for this appropriation for Build Wealth Minnesota and the 9,000 Equities Fund is to create at least 4,500 new homeownership opportunities and to close the homeownership disparity gap by eight percent in the Twin Cities metropolitan area in five years. By February 15, 2023, and for the next eight years, Build Wealth Minnesota shall report to the Minnesota Housing Finance Agency and the legislature on activities and expenditures of the 9,000 Equities Fund and its homeownership outcomes. Up to ten percent of the appropriation may be used by Build Wealth

Minnesota to administer the target loan pool.
This is a onetime appropriation.

Sec. 3. HOUSING AFFORDABILITY FUND; FISCAL YEAR 2023 ALLOCATION.

(a) \$10,000,000 of the allocations from the Housing Finance Agency's housing affordability fund, or Pool 3, in fiscal year 2023 shall be for a revolving loan fund under Minnesota Statutes, section 462A.05, subdivision 35, to provide loans with a two percent interest rate for residents of manufactured home parks to purchase the manufactured home park in which they reside for the purpose of conversion of the manufactured home park to cooperative ownership. Repayments of principal and interest from loans issued under this section must be used for the purposes of this section. The commissioner must make a determination regarding the issuance of a loan under this section and disburse the funds within 90 days of receiving a completed application. No money from the allocation under this paragraph may be used to administer this program. The commissioner must not supplant other homeownership programs out of Pool 3 to capitalize this revolving loan fund.

(b) \$5,000,000 of the allocations from the Housing Finance Agency's housing affordability fund, or Pool 3, in fiscal year 2023 shall be for grants to nonprofit organizations for the installation of sprinkler systems in eligible residential buildings. "Eligible residential buildings" means an existing building owned by a nonprofit organization that has at least one story used for human occupancy which is 75 feet or more above the lowest level of fire department vehicle access, and at least two-thirds of its units are rented to an individual or family with an annual income of up to 50 percent of the area median income as determined by the United States Department of Housing and Urban Development, adjusted for family size, that is paying no more than 30 percent of annual income on rent. The agency shall develop forms and procedures for soliciting and reviewing applications for grants under this paragraph. The maximum grant per eligible building shall be \$250,000, and each grant must have a nonstate match of at least 25 percent of the grant award. An in-kind contribution may be used to meet all or a portion of the match requirement. This allocation expires on June 30, 2025.

(c) Each year on January 15, the commissioner of the Housing Finance Agency shall report to the legislature the allocation of housing affordability funds under paragraphs (a) and (b) separately, including the amount issued in loans, the amount of loans repaid, the remaining balance of the revolving loan fund, the number of projects funded or financed, the number of residents included in each project, and the location of each project.

(d) Nothing in this section shall impair the obligation of the agency to use funds in Pool 3 to satisfy the agency's obligations to holders of bonds secured by the general obligation pledge of the agency to suggested use of agency resources.

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

Sec. 4. HOMEOWNERSHIP INVESTMENT GRANTS PROGRAM.

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

(1) "commissioner" means the commissioner of the Housing Finance Agency; and

(2) "eligible organization" means a nonprofit organization the commissioner determines to be eligible under subdivision 2.

Subd. 2. **Eligible organization.** To be eligible for a grant under this subdivision, a nonprofit organization must:

(1) be an organization defined under section 501(c)(3) of the Internal Revenue Code or an equivalent organization;

(2) have primary operations located in the state of Minnesota; and

(3) be certified as a community development financial institution by the United States Department of the Treasury and must provide affordable housing lending or financing programs.

Subd. 3. **Eligible services.** (a) Eligible organizations may apply for housing investment grants for affordable owner-occupied housing projects for the following:

(1) housing development to increase the supply of affordable owner-occupied homes;

(2) financing programs, including revolving loans, for affordable owner-occupied new home construction;

(3) acquisition, rehabilitation, and resale of affordable owner-occupied homes or homes to be converted to owner-occupied homes;

(4) financing programs, including revolving loans, for affordable owner-occupied manufactured housing;

(5) services to increase access to stable, affordable, owner-occupied housing in low-income communities, Indigenous American Indian communities, and communities of color; and

(6) residential counseling or housing navigation assistance for homeownership.

(b) No more than five percent of the total amount awarded in this section may be for grants under paragraph (a), clause (3), and no more than five percent of the total amount awarded under this section may be for grants under paragraph (a), clause (6).

Subd. 4. **Commissioner duties.** (a) The commissioner shall consult with eligible organizations and develop forms, applications, and reporting requirements for use by eligible organizations. All organizations applying for a grant must include as part of their application a plan to create new affordable home ownership and home preservation opportunities for targeted areas. The commissioner shall develop a grant award scoring system that ensures a distribution of awards throughout the state based on population and eligible households and communities.

(b) The commissioner shall complete the requirements under paragraph (a) within 90 days of enactment of this section.

(c) By January 15, 2023, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy detailing the use of funds under this section.

ARTICLE 6

HOUSING POLICY

Section 1. **[12.47] LIMITATION OF POWERS; EVICTION PROCEEDINGS.**

Notwithstanding any law to the contrary, an order issued under this chapter prohibiting or delaying eviction proceedings under chapter 504B or 327C is valid for a period not to exceed 30 days. The governor must not extend the order beyond 30 days unless the extension is approved by a majority vote of each house of the legislature. The governor shall not allow the order to expire and issue a new order delaying or prohibiting eviction proceedings under chapter 504B or 327C in an effort to avoid obtaining legislative approval for an extension of the order as provided in this section. An order issued to avoid obtaining legislative approval as required under this section is null and void.

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

Sec. 2. **[462.3575] LIMITING REGULATIONS ON RESIDENTIAL DEVELOPMENT.**

Subdivision 1. **Application.** This section applies to official controls adopted under sections 462.357, 462.358, and 462.3595.

Subd. 2. **Planned unit development.** (a) A municipality shall not require a planned unit development agreement in lieu of a proposed residential development if the proposed residential development complies with the existing city zoning ordinances, subdivision regulation, or qualifies as a conditional use.

(b) A planned unit development agreement must be made available to the public by posting the agreement on the website of the municipality at least seven days before the governing body's review of the agreement. If the municipality does not have a website, a copy of the planned unit development agreement must be available for review at the city hall building of the municipality. If the agreement is approved by the governing body, the agreement cannot be modified unless all parties to the agreement concur.

Subd. 3. **Limitation on aesthetic mandates.** A municipality shall not condition approval of a building permit, subdivision development, or planned unit development on the use of specific materials, design, or other aesthetic conditions that are not required by the State Building Code under chapter 326B. This subdivision shall not apply within a historic district as determined under section 138.72 that was in existence as of January 1, 2022.

Subd. 4. **Exception.** This section shall not apply to a proposed residential development that is to be developed by the municipality itself or to multifamily rental, commercial, or industrial properties.

Sec. 3. Minnesota Statutes 2020, section 462A.03, subdivision 13, is amended to read:

Subd. 13. **Eligible mortgagor.** "Eligible mortgagor" means a nonprofit or cooperative housing corporation; the Department of Administration for the purpose of developing community-based programs as defined in section 252.50; a limited profit entity or a builder as defined by the agency in its rules, which sponsors or constructs residential housing as defined in subdivision 7; or a natural person of low or moderate income, except that the return to a limited dividend entity shall not exceed 15 percent of the capital contribution of the investors or such lesser percentage as the agency shall establish in its rules, provided that residual receipts funds of a limited dividend entity may be used for agency-approved, housing-related investments owned by the limited dividend entity without regard to the limitation on returns. Owners of existing residential housing occupied by renters shall be eligible for rehabilitation loans, only if, as a condition to the issuance of the loan, the owner agrees to conditions established by the agency in its rules relating to rental or other matters that will ~~insure~~ ensure that the housing will be occupied by persons and families of low or moderate income. The agency shall require by rules that the owner give preference to those persons of low or moderate income who occupied the residential housing at the time of application for the loan.

Sec. 4. Minnesota Statutes 2021 Supplement, section 462A.05, subdivision 14a, is amended to read:

Subd. 14a. **Rehabilitation loans; existing owner-occupied residential housing.** It may make loans to persons and families of low and moderate income to rehabilitate or to assist in rehabilitating existing residential housing owned and occupied by those persons or families. Rehabilitation may include replacement of manufactured homes. No loan shall be made unless the agency determines that the loan will be used primarily for rehabilitation work necessary for health or safety, essential accessibility improvements, or to improve the energy efficiency of the dwelling. No loan for rehabilitation of owner-occupied residential housing shall be denied solely because the loan will not be used for placing the residential housing in full compliance with all state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing. The amount of any loan shall not exceed the lesser of (a) a maximum loan amount determined under rules adopted by the agency not to exceed ~~\$37,500~~ \$40,000, or (b) the actual cost of the work performed, or (c) that portion of the cost of rehabilitation which the agency determines cannot otherwise be paid by the person or family without the expenditure of an unreasonable portion of the income of the person or family. Loans made in whole or in part with federal funds may exceed the maximum loan amount to the extent necessary to comply with federal lead abatement requirements prescribed by the funding source. In making loans, the agency shall determine the circumstances under which and the terms and conditions under which all or any portion of the loan will be repaid and shall determine the appropriate security for the repayment of the loan. Loans pursuant to this subdivision may be made with or without interest or periodic payments.

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

Sec. 5. Minnesota Statutes 2020, section 462A.05, is amended by adding a subdivision to read:

Subd. 14f. **Reporting; rehabilitation loans.** By January 15 of each year, the agency must report to the legislative committees with jurisdiction over housing the following with respect to the rehabilitation loan programs referenced in subdivisions 14 and 14a:

(1) a list of programs, the sources of funding for those programs, and the amounts allocated from each source;

(2) the total number of loans and total amount of outstanding rehabilitation loans per program;

(3) the total number of loans issued, total dollar amount in loans, the mean and median loan amount, and the number of loans at the maximum loan amount for the prior fiscal year per program;

(4) the total number of loans forgiven, the total dollar amount forgiven, and the mean and median loan amount forgiven in the prior fiscal year per program;

(5) the total amount of loans issued by county over the prior fiscal year per program; and

(6) a history of the maximum loan amount over time and computation of what the maximum loan amount would be if adjusted for inflation.

Sec. 6. Minnesota Statutes 2020, section 462A.05, is amended by adding a subdivision to read:

Subd. 42. **Indian Tribes.** Notwithstanding any other provision in this chapter, at its discretion the agency may make any federally recognized Indian Tribe in Minnesota, or their associated Tribally Designated Housing Entity (TDHE) as defined by United States Code, title 25, section 4103(22), eligible for funding authorized under this chapter.

Sec. 7. Minnesota Statutes 2020, section 462A.05, is amended by adding a subdivision to read:

Subd. 43. **Housing disparities.** The agency must prioritize its use of appropriations for any homeownership program under this chapter to narrow the racial disparity gap in homeownership.

Sec. 8. Minnesota Statutes 2020, section 462A.07, subdivision 9, is amended to read:

Subd. 9. **Priority where State Building Code is adopted.** It may establish such rules as may be necessary to ~~insure~~ ensure that priority for assistance by the agency will be given to projects located in municipal jurisdictions or counties, which have adopted the uniform State Building Code.

Sec. 9. Minnesota Statutes 2020, section 462A.07, subdivision 10, is amended to read:

Subd. 10. **Human rights.** It may establish and enforce such rules as may be necessary to ~~insure~~ ensure compliance with chapter 363A, and to ~~insure~~ ensure that occupancy of housing assisted under this chapter shall be open to all persons, and that contractors and subcontractors engaged in the construction of such housing shall provide an equal opportunity for employment to all persons, without discrimination as to race, color, creed, religion, national origin, sex, marital status, age, and status with regard to public assistance or disability.

Sec. 10. Minnesota Statutes 2020, section 462A.07, subdivision 14, is amended to read:

Subd. 14. **American Indians.** (a) It may engage in housing programs for low- and moderate-income American Indians developed and administered separately or in combination by the Minnesota Chippewa tribe, the Red Lake band of Chippewa Indians, and the Sioux communities as determined by such tribe, band, or communities. In furtherance of the policy of economic integration stated in section 462A.02, subdivision 6, it may engage in housing programs for American Indians who intend to reside on reservations and who are not persons of low and moderate income, provided that the aggregate dollar amount of the loans for persons who are not of low- or moderate-income closed in each lender's fiscal year shall not exceed an amount equal to 25 percent of the total dollar amount of all loans closed by that lender during the same fiscal year. In developing such housing programs, the tribe, band, or communities shall take into account the housing needs of all American Indians residing both on and off reservations within the state. A plan for each such program, which specifically describes the program content, utilization of funds, administration, operation, implementation and other matter, as determined by the agency, must be submitted to the agency for its review and approval prior to the making of eligible loans pursuant to section 462A.21. All such programs must conform to rules promulgated by the agency concerning program administration, including but not limited to rules concerning costs of administration; the quality of housing; interest rates, fees, and charges in connection with making eligible loans; and other matters determined by the agency to be necessary in order to effectuate the purposes of this subdivision and section 462A.21, subdivisions 4b and 4c. All such programs must provide for a reasonable balance in the distribution of funds appropriated for the purpose of this section between American Indians residing on and off reservations within the state. Nothing in this section shall preclude such tribe, band, or communities from requesting and receiving cooperation, advice, and assistance from the agency as regards program development, operation, delivery, financing, or administration. As a condition to the making of such eligible loans, the Minnesota Chippewa tribe, the Red Lake band of Chippewa Indians, and the Sioux communities shall:

(1) enter into a loan agreement and other contractual arrangements with the agency for the purpose of transferring the allocated portion of loan funds and to ~~insure~~ ensure compliance with the provisions of this section and this chapter; and

(2) agree that all of their official books and records related to such housing programs shall be subjected to audit by the legislative auditor in the manner prescribed for agencies of state government.

The agency shall submit a biennial report concerning the various housing programs for American Indians, and related receipts and expenditures as provided in section 462A.22, subdivision 9, and such tribe, band, or communities to the extent that they administer such programs, shall be responsible for any costs and expenses related to such administration provided, however, they shall be eligible for payment for costs, expenses, and services pursuant to subdivision 12 and section 462A.21. The agency may provide or cause to be provided essential general technical services as set forth in subdivision 2, and general consultative project assistance services, including, but not limited to, management training, and home ownership counseling as set forth in subdivision 3. Members of boards, committees, or other governing bodies of the tribe, band, and communities administering the programs authorized by this subdivision must be compensated for those services as provided in section 15.0575.

(b) The agency may engage in demonstration projects to encourage the participation of financial institutions or other leveraging sources in providing housing opportunities for American Indians. The agency shall consult with the Minnesota Chippewa tribe, the Red Lake band of Chippewa Indians, and the Sioux communities in developing the demonstration projects. The income limits specified in paragraph (a) do not apply to the demonstration projects.

(c) The agency may make home improvement loans under this subdivision without regard to household income.

Sec. 11. Minnesota Statutes 2020, section 462A.2035, is amended by adding a subdivision to read:

Subd. 5. **Report.** By January 15 of each year, the agency must report to the legislative committees with jurisdiction over housing the following with respect to grants issued under subdivision 1b:

(1) grants requested and grants funded during the prior fiscal year, organized by ownership type of the manufactured home park, such as private, cooperative, and municipal ownership, and by county; and

(2) the average amounts of grants awarded.

Sec. 12. Minnesota Statutes 2020, section 462A.204, subdivision 3, is amended to read:

Subd. 3. **Set aside.** At least one grant must be awarded in an area located outside of the metropolitan area. A county, a group of contiguous counties jointly acting together, a Tribe, a group of Tribes, or a community-based nonprofit organization ~~with a sponsoring resolution from each of the county boards of the counties located within its operating jurisdiction~~ may apply for and receive grants ~~for areas located outside the metropolitan area.~~

Sec. 13. Minnesota Statutes 2020, section 462A.21, subdivision 4a, is amended to read:

Subd. 4a. **Correction of housing defects.** It may make rehabilitation grants and expenditures for correction of residential housing defects as provided in section 462A.05, subdivisions 15 and 16. In order to ~~insure~~ ensure the preservation of the maximum number of housing units with the money appropriated by the legislature, grants shall be recovered by the agency to the extent provided in this section to be used for future grants. Grants made under the terms of this subdivision shall contain a requirement that the grant be recovered by the agency in accordance with the following schedule:

(1) if the property is sold, transferred, or otherwise conveyed within the first three years after the date of a grant, the recipient shall repay the full amount of the grant;

(2) if the property is sold, transferred, or otherwise conveyed within the fourth year after the date of a grant, the recipient shall repay 75 percent of the amount of the grant;

(3) if the property is sold, transferred, or otherwise conveyed within the fifth year after the date of a grant, the recipient shall repay 50 percent of the amount of the grant;

(4) if the property is sold, transferred, or otherwise conveyed within the sixth year after the date of a grant, the recipient shall repay 25 percent of the amount of the grant;

(5) if the property is sold, transferred, or otherwise conveyed within the seventh year after the date of the grant, or thereafter, there is no repayment requirement; provided that no repayment is required to the extent that the grants are made to improve the accessibility of residential housing to a disabled occupant.

Sec. 14. Minnesota Statutes 2020, section 462A.24, is amended to read:

462A.24 CONSTRUCTION; GRANTS AND LOANS; PRIORITIES.

(a) This chapter is necessary for the welfare of the state of Minnesota and its inhabitants; therefore, it shall be liberally construed to effect its purpose.

(b) To the extent practicable, the agency shall award grant and loan amounts with a reasonable balance between nonmetropolitan and metropolitan areas of the state.

(c) Beginning with applications made in response to requests for proposals issued after July 1, 2020, after final decisions are made on applications for programs of the agency, the results of any quantitative scoring system used to rank applications shall be posted on the agency website.

(d) The agency shall award points in the agency's decision-making criteria for all programs of the agency based on how quickly a project can be constructed.

Sec. 15. Minnesota Statutes 2020, section 462A.33, is amended by adding a subdivision to read:

Subd. 9. **Report.** By January 15 of each year, the agency must report to the legislative committees with jurisdiction over housing the following with respect to activities of the program created by this section during the prior fiscal year:

(1) the number of units of new construction and number of rehabilitated units funded by county;
and

(2) the number of owner-occupied units and number of rental units funded by county.

Sec. 16. Minnesota Statutes 2020, section 462A.36, is amended by adding a subdivision to read:

Subd. 2a. **Refunding bonds.** (a) The agency may issue nonprofit housing bonds in one or more series to refund bonds authorized in subdivision 2. The amount of refunding nonprofit housing bonds that may be issued from time to time will not be subject to the dollar limitation contained in subdivision 2 nor will those bonds be included in computing the amount of bonds that may be issued within that dollar limitation.

(b) In the refunding of nonprofit housing bonds, each bond must be called for redemption prior to its maturity in accordance with its terms no later than the earliest date on which it may be redeemed. No refunding bonds may be issued unless as of the date of the refunding bonds the present value of the dollar amount of the debt service on the refunding bonds, computed to their stated maturity

dates, is lower than the present value of the dollar amount of debt service on all nonprofit housing bonds refunded computed to their stated maturity dates. For purposes of this subdivision, "present value of the dollar amount of debt service" means the dollar amount of debt service to be paid, discounted to the nominal date of the refunding bonds at a rate equal to the yield on the refunding bonds.

(c) If as a result of the issuance of refunding bonds the amount of debt service for an annual period is less than the amount transferred by the commissioner of management and budget to pay debt service for that annual period, the agency must deduct the excess amount from the actual amount of debt service on those bonds certified for the next subsequent annual period.

Sec. 17. Minnesota Statutes 2020, section 462A.36, subdivision 4, is amended to read:

Subd. 4. **Appropriation; payment to agency or trustee.** (a) The agency must certify annually to the commissioner of management and budget the actual amount of annual debt service on each series of bonds issued under subdivision 2.

(b) Each July 15, beginning in 2009 and through 2031, if any nonprofit housing bonds issued under subdivision 2, or nonprofit housing bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the nonprofit housing bond account established under section 462A.21, subdivision 32, the amount certified under paragraph (a), not to exceed \$2,400,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(c) The agency may pledge to the payment of the nonprofit housing bonds the payments to be made by the state under this section.

Sec. 18. Minnesota Statutes 2020, section 462A.37, is amended by adding a subdivision to read:

Subd. 2i. **Refunding bonds.** (a) The agency may issue housing infrastructure bonds in one or more series to refund bonds authorized in this section. The amount of refunding housing infrastructure bonds that may be issued from time to time will not be subject to the dollar limitation contained in any of the authorizations in this section nor will those bonds be included in computing the amount of bonds that may be issued within those dollar limitations.

(b) In the refunding of housing infrastructure bonds, each bond must be called for redemption prior to its maturity in accordance with its terms no later than the earliest date on which it may be redeemed. No refunding bonds may be issued unless as of the date of the refunding bonds the present value of the dollar amount of the debt service on the refunding bonds, computed to their stated maturity dates, is lower than the present value of the dollar amount of debt service on all housing infrastructure bonds refunded computed to their stated maturity dates. For purposes of this subdivision, "present value of the dollar amount of debt service" means the dollar amount of debt service to be paid, discounted to the nominal date of the refunding bonds at a rate equal to the yield on the refunding bonds.

(c) If as a result of the issuance of refunding bonds the amount of debt service for an annual period is less than the amount transferred by the commissioner of management and budget to pay

debt service for that annual period, the agency must deduct the excess amount from the actual amount of debt service on those bonds certified for the next subsequent annual period.

Sec. 19. Minnesota Statutes 2020, section 462A.37, subdivision 4, is amended to read:

Subd. 4. **Appropriation; payment to agency or trustee.** (a) The agency must certify annually to the commissioner of management and budget the actual amount of annual debt service on each series of bonds issued under subdivision 2.

(b) Each July 15, beginning in 2013 and through 2035, if any housing infrastructure bonds issued under subdivision 2, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the ~~affordable~~ housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$2,200,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(c) The agency may pledge to the payment of the housing infrastructure bonds the payments to be made by the state under this section.

Sec. 20. Minnesota Statutes 2021 Supplement, section 462A.37, subdivision 5, is amended to read:

Subd. 5. **Additional appropriation.** (a) The agency must certify annually to the commissioner of management and budget the actual amount of annual debt service on each series of bonds issued under this section.

(b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure bonds issued under subdivision 2a, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$6,400,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure bonds issued under subdivision 2b, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$800,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(d) Each July 15, beginning in 2019 and through 2040, if any housing infrastructure bonds issued under subdivision 2c, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$2,800,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(e) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure bonds issued under subdivision 2d, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(f) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure bonds issued under subdivision 2e, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(g) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure bonds issued under subdivision 2f, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(h) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure bonds issued under subdivision 2g, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(i) Each July 15, beginning in 2023 and through 2044, if any housing infrastructure bonds issued under subdivision 2h, or housing infrastructure bonds issued to refund those bonds, remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(j) The agency may pledge to the payment of the housing infrastructure bonds the payments to be made by the state under this section.

Sec. 21. Minnesota Statutes 2020, section 462A.38, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** A workforce and affordable homeownership development program is established to award homeownership development grants to cities, counties, Tribal governments, nonprofit organizations, cooperatives created under chapter 308A or 308B, and community land trusts created for the purposes outlined in section 462A.31, subdivision 1, for development of workforce and affordable homeownership projects. The purpose of the program is to increase the supply of workforce and affordable, owner-occupied multifamily or single-family housing throughout Minnesota.

Sec. 22. Minnesota Statutes 2020, section 462A.39, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The commissioner of Minnesota housing finance shall establish a workforce housing development program to award grants or deferred loans to eligible project areas to be used for qualified expenditures. Grants or deferred loans authorized under this section may be made without limitations relating to the maximum incomes of the renters or homeowners.

Sec. 23. Minnesota Statutes 2020, section 462A.39, subdivision 2, is amended to read:

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

(b) "Eligible project area" means a home rule charter or statutory city located outside of the metropolitan area as defined in section 473.121, subdivision 2, with a population exceeding 500; a community that has a combined population of 1,500 residents located within 15 miles of a home rule charter or statutory city located outside the metropolitan area as defined in section 473.121, subdivision 2; federally recognized Tribal Reservations; or an area served by a joint county-city economic development authority.

(c) "Joint county-city economic development authority" means an economic development authority formed under Laws 1988, chapter 516, section 1, as a joint partnership between a city and county and excluding those established by the county only.

(d) "Market rate residential rental properties" means properties that are rented at market value, including new modular homes, new manufactured homes, and new manufactured homes on leased land or in a manufactured home park, and may include rental developments that have a portion of income-restricted units.

(e) "Qualified expenditure" means expenditures for owner-occupied housing or market rate residential rental properties including acquisition of property; construction of improvements; and provisions of loans or subsidies, grants, interest rate subsidies, public infrastructure, and related financing costs.

Sec. 24. Minnesota Statutes 2020, section 462A.39, subdivision 4, is amended to read:

Subd. 4. **Program requirements.** (a) The commissioner must not award a grant or deferred loans to an eligible project area under this section until the following determinations are made:

(1) the average vacancy rate for rental housing located in the eligible project area, and in any other city located within 15 miles or less of the boundaries of the area, has been five percent or less for at least the prior two-year period;

(2) one or more businesses located in the eligible project area, or within 25 miles of the area, that employs a minimum of 20 full-time equivalent employees in aggregate have provided a written statement to the eligible project area indicating that the lack of available ~~rental~~ housing has impeded their ability to recruit and hire employees; and

(3) the eligible project area has certified that the grants or deferred loans will be used for qualified expenditures for the development of ~~rental~~ housing to serve employees of businesses located in the eligible project area or surrounding area.

(b) Preference for grants or deferred loans awarded under this section shall be given to eligible project areas with less than 30,000 people.

(c) Among comparable proposals, preference must be given to projects with a higher proportion of units that are not income-restricted.

Sec. 25. Minnesota Statutes 2020, section 462A.39, subdivision 5, is amended to read:

Subd. 5. **Allocation.** The amount of a grant or deferred loans may not exceed 25 percent of the rental housing development project cost. The commissioner shall not award a grant or deferred loans to ~~a city~~ an eligible project area without certification by the ~~city~~ eligible project area that the amount of the grant or deferred loans shall be matched by a local unit of government, business, ~~or~~ nonprofit organization, or federally recognized Tribe, with \$1 for every \$2 provided in grant or deferred loans funds.

Sec. 26. Minnesota Statutes 2020, section 462A.39, is amended by adding a subdivision to read:

Subd. 5a. **No change in project scope.** (a) When a contingency is provided in a grant award under this section, changes to the project made by the developer to meet the contingency shall not be considered a change in project scope and the grant must be funded, provided that:

(1) the number of affordable units is not reduced;

(2) an increase in the number of affordable units is allowed if required to cover the increased financial costs of meeting the agency contingency; and

(3) additional state funds are not solicited for the project.

(b) Additional local matching funds may be solicited for the project under this subdivision, including but not limited to funds from local units of government.

Sec. 27. Minnesota Statutes 2020, section 462A.39, subdivision 6, is amended to read:

Subd. 6. **Report.** ~~Beginning~~ By January 15, 2018 of each year, the commissioner must annually submit a report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over taxes ~~and~~, workforce development, and housing specifying the projects that received grants or deferred loans under this section and the specific purposes for which the grant funds were used. The report must include a breakdown of the amount issued in loans and the amount issued in grants for the prior fiscal year, together with the number of new units funded and the number of rehabilitated units funded in the prior fiscal year.

Sec. 28. **[462A.41] PROGRAM FOR MANUFACTURED HOME MORTGAGE FINANCING AND DOWN PAYMENT ASSISTANCE FOR CERTAIN MANUFACTURED HOMES.**

(a) By August 1, 2023, the agency, in conjunction with Fannie Mae's HomeReady program or other federal mortgage programs that may authorize it, must develop and implement a program that offers mortgage financing and down payment assistance for purchasers of eligible manufactured homes.

(b) For purposes of this section "eligible manufactured homes" means a manufactured home titled as real property in this state and affixed to real property owned by a resident-owned community.

(c) The agency may include manufactured homes in private parks as an eligible manufactured home if allowed under federal law. The commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing by August 1, 2023, on steps required to set up a similar program for manufactured homes in private parks if they do not qualify under federal law.

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

Sec. 29. Minnesota Statutes 2020, section 471.9996, subdivision 1, is amended to read:

Subdivision 1. **In-general Prohibition.** (a) No statutory or home rule charter city, county, or town may adopt or renew by ordinance or otherwise any law to control rents on private residential property except as provided in subdivision 2. This section does not impair the right of any statutory or home rule charter city, county, or town:

(1) to manage or control property in which it has a financial interest through a housing authority or similar agency;

(2) to contract with a property owner;

(3) to act as required or authorized by laws or regulations of the United States government or this state; or

(4) to mediate between property owners and tenants for the purpose of negotiating rents.

(b) Nothing in this section shall be deemed to limit or restrict the classification of low-income rental property as class 4d under section 273.13, subdivision 25.

EFFECTIVE DATE. This section is effective retroactively from November 1, 2021.

Sec. 30. Minnesota Statutes 2020, section 474A.061, subdivision 2a, is amended to read:

Subd. 2a. **Housing pool allocation.** (a) 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 housing pool to applications received on or before the Monday of the preceding week for residential rental projects that meet the eligibility criteria under section 474A.047. Allocations of available bonding authority from the housing pool for eligible residential rental projects shall be awarded in the following order of priority:

(1) preservation projects;

- (2) 30 percent AMI residential rental projects;
- (3) 50 percent AMI residential rental projects;
- (4) 100 percent LIHTC projects;
- (5) 20 percent LIHTC projects; and

(6) other residential rental projects for which the amount of bonds requested in their respective applications do not exceed the aggregate bond limitation.

If there are two or more applications for residential rental projects at the same priority level and there is insufficient bonding authority to provide allocations for all the projects in any one allocation period, available bonding authority shall be ~~randomly~~ awarded by lot giving preference for projects with a lower cost per square foot but only for projects that can receive the full amount of their respective requested allocations. If a residential rental project does not receive any of its requested allocation pursuant to this paragraph and the project applies for an allocation of bonds again in the same calendar year or to the next successive housing pool, the project shall be fully funded up to its original application request for bonding authority before any new project, applying in the same allocation period, that has an equal priority shall receive bonding authority. An issuer that receives an allocation under this paragraph must issue obligations equal to all or a portion of the allocation received on or before 180 days of the allocation. If an issuer that receives an allocation under this paragraph does not issue obligations equal to all or a portion of the allocation received within the time period provided in this paragraph or returns the allocation to the commissioner, the amount of the allocation is canceled and returned for reallocation through the housing pool or to the unified pool after July 1.

(b) After January 1, and through January 15, The Minnesota Housing Finance Agency may accept applications from cities for single-family housing programs which meet program requirements as follows:

- (1) the housing program must meet a locally identified housing need and be economically viable;
- (2) the adjusted income of home buyers may not exceed 80 percent of the greater of statewide or area median income as published by the Department of Housing and Urban Development, adjusted for household size;
- (3) house price limits may not exceed the federal price limits established for mortgage revenue bond programs. Data on the home purchase price amount, mortgage amount, income, household size, and race of the households served in the previous year's single-family housing program, if any, must be included in each application; and

(4) for applicants who choose to have the agency issue bonds on their behalf, an application fee pursuant to section 474A.03, subdivision 4, and an application deposit equal to one percent of the requested allocation must be submitted to the Minnesota Housing Finance Agency before the agency forwards the list specifying the amounts allocated to the commissioner under paragraph (d). The

agency shall submit the city's application fee and application deposit to the commissioner when requesting an allocation from the housing pool.

Applications by a consortium shall include the name of each member of the consortium and the amount of allocation requested by each member.

(c) Any amounts remaining in the housing pool after June 15 are available for single-family housing programs for cities that applied in January and received an allocation under this section in the same calendar year. For a city that chooses to issue bonds on its own behalf or pursuant to a joint powers agreement, the agency must allot available bonding authority based on the formula in paragraphs (d) and (f). Allocations will be made loan by loan, on a first-come, first-served basis among cities on whose behalf the Minnesota Housing Finance Agency issues bonds.

Any city that received an allocation pursuant to paragraph (f) in the same calendar year that wishes to issue bonds on its own behalf or pursuant to a joint powers agreement for an amount becoming available for single-family housing programs after June 15 shall notify the Minnesota Housing Finance Agency by June 15. The Minnesota Housing Finance Agency shall notify each city making a request of the amount of its allocation within three business days after June 15. The city must comply with paragraph (f).

For purposes of paragraphs (a) to (h), "city" means a county or a consortium of local government units that agree through a joint powers agreement to apply together for single-family housing programs, and has the meaning given it in section 462C.02, subdivision 6. "Agency" means the Minnesota Housing Finance Agency.

(d) The total amount of allocation for mortgage bonds for one city is limited to the lesser of: (i) the amount requested, or (ii) the product of the total amount available for mortgage bonds from the housing pool, multiplied by the ratio of each applicant's population as determined by the most recent estimate of the city's population released by the state demographer's office to the total of all the applicants' population, except that each applicant shall be allocated a minimum of \$100,000 regardless of the amount requested or the amount determined under the formula in clause (ii). If a city applying for an allocation is located within a county that has also applied for an allocation, the city's population will be deducted from the county's population in calculating the amount of allocations under this paragraph.

Upon determining the amount of each applicant's allocation, the agency shall forward to the commissioner a list specifying the amounts allotted to each application with all application fees and deposits from applicants who choose to have the agency issue bonds on their behalf.

Total allocations from the housing pool for single-family housing programs may not exceed 27 percent of the adjusted allocation to the housing pool until after June 15 in 2020 and 2021, after which the allocations may not exceed 31 percent of the adjusted allocation to the housing pool until after June 15.

(e) The agency may issue bonds on behalf of participating cities. The agency shall request an allocation from the commissioner for all applicants who choose to have the agency issue bonds on their behalf and the commissioner shall allocate the requested amount to the agency. The agency

may request an allocation at any time after the second Tuesday in January and through the last Monday in June. After awarding an allocation and receiving a notice of issuance for the mortgage bonds issued on behalf of the participating cities, the commissioner shall transfer the application deposits to the Minnesota Housing Finance Agency to be returned to the participating cities. The Minnesota Housing Finance Agency shall return any application deposit to a city that paid an application deposit under paragraph (b), clause (4), but was not part of the list forwarded to the commissioner under paragraph (d).

(f) A city may choose to issue bonds on its own behalf or through a joint powers agreement and may request an allocation from the commissioner by forwarding an application with an application fee pursuant to section 474A.03, subdivision 4, and a one percent application deposit to the commissioner no later than the Monday of the week preceding an allocation. If the total amount requested by all applicants exceeds the amount available in the pool, the city may not receive a greater allocation than the amount it would have received under the list forwarded by the Minnesota Housing Finance Agency to the commissioner. No city may request or receive an allocation from the commissioner until the list under paragraph (d) has been forwarded to the commissioner. A city must request an allocation from the commissioner no later than the last Monday in June. No city may receive an allocation from the housing pool for mortgage bonds which has not first applied to the Minnesota Housing Finance Agency. The commissioner shall allocate the requested amount to the city or cities subject to the limitations under this paragraph.

If a city issues mortgage bonds from an allocation received under this paragraph, the issuer must provide for the recycling of funds into new loans. If the issuer is not able to provide for recycling, the issuer must notify the commissioner in writing of the reason that recycling was not possible and the reason the issuer elected not to have the Minnesota Housing Finance Agency issue the bonds. "Recycling" means the use of money generated from the repayment and prepayment of loans for further eligible loans or for the redemption of bonds and the issuance of current refunding bonds.

(g) No entitlement city or county or city in an entitlement county may apply for or be allocated authority to issue mortgage bonds or use mortgage credit certificates from the housing pool. No city in an entitlement county may apply for or be allocated authority to issue residential rental bonds from the housing pool or the unified pool.

(h) A city that does not use at least 50 percent of its allotment by the date applications are due for the first allocation that is made from the housing pool for single-family housing programs in the immediately succeeding calendar year may not apply to the housing pool for a single-family mortgage bond or mortgage credit certificate program allocation that exceeds the amount of its allotment for the preceding year that was used by the city in the immediately preceding year or receive an allotment from the housing pool in the succeeding calendar year that exceeds the amount of its allotment for the preceding year that was used in the preceding year. The minimum allotment is \$100,000 for an allocation made prior to June 15, regardless of the amount used in the preceding calendar year, except that a city whose allocation in the preceding year was the minimum amount of \$100,000 and who did not use at least 50 percent of its allocation from the preceding year is ineligible for an allocation in the immediate succeeding calendar year. Each local government unit in a consortium must meet the requirements of this paragraph.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 31. Minnesota Statutes 2020, section 474A.091, subdivision 3, is amended to read:

Subd. 3. **Allocation procedure.** (a) The commissioner shall allocate available bonding authority under this section on the Monday of every other week beginning with the first Monday in July through and on the last Monday in November. Applications for allocations must be received by the department by 4:30 p.m. on the Monday preceding the Monday on which allocations are to be made. If a Monday falls on a holiday, the allocation will be made or the applications must be received by the next business day after the holiday.

(b) Prior to October 1, only the following applications shall be awarded allocations from the unified pool. Allocations shall be awarded in the following order of priority:

- (1) applications for residential rental project bonds;
- (2) applications for small issue bonds for manufacturing projects; and
- (3) applications for small issue bonds for agricultural development bond loan projects.

(c) On the first Monday in October through the last Monday in November, allocations shall be awarded from the unified pool in the following order of priority:

- (1) applications for student loan bonds issued by or on behalf of the Minnesota Office of Higher Education;
- (2) applications for mortgage bonds;
- (3) applications for public facility projects funded by public facility bonds;
- (4) applications for small issue bonds for manufacturing projects;
- (5) applications for small issue bonds for agricultural development bond loan projects;
- (6) applications for residential rental project bonds;
- (7) applications for enterprise zone facility bonds;
- (8) applications for governmental bonds; and
- (9) applications for redevelopment bonds.

(d) If there are two or more applications for manufacturing projects from the unified pool and there is insufficient bonding authority to provide allocations for all manufacturing projects in any one allocation period, 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 for manufacturing projects receive an equal amount of points, available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

(e) If there are two or more applications for enterprise zone facility projects from the unified pool and there is insufficient bonding authority to provide allocations for all enterprise zone facility projects in any one allocation period, 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 for enterprise zone facility projects receive an equal amount of points, available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

(f) If there are two or more applications for residential rental projects from the unified pool and there is insufficient bonding authority to provide allocations for all residential rental projects in any one allocation period, the available bonding authority shall be awarded in the following order of priority: (1) preservation projects; (2) 30 percent AMI residential rental projects; (3) 50 percent AMI residential rental projects for which the amount of bonds requested in their respective applications do not exceed the aggregate bond limitations; (4) 100 percent LIHTC projects; (5) 20 percent LIHTC projects; and (6) other residential rental projects. If there are two or more applications for residential rental projects at the same priority level and there is insufficient bonding authority to provide allocations for all the projects in any one allocation period, available bonding authority shall be ~~randomly~~ awarded by lot giving preference for projects with a lower cost per square foot but only for projects that can receive the full amount of their respective requested allocations. If a residential rental project does not receive any of its requested allocation pursuant to this paragraph and the project applies in the next successive housing pool or the next successive unified pool for an allocation of bonds, the project shall be fully funded up to its original application request for bonding authority before any new project, applying in the same allocation period, that has an equal priority shall receive bonding authority.

(g) From the first Monday in July through the last Monday in November, \$20,000,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the small issue pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the small issue pool for that year, whichever is less, is reserved within the unified pool for small issue bonds to the extent the amounts are available within the unified pool.

(h) The total amount of allocations for mortgage bonds from the housing pool and the unified pool may not exceed:

- (1) \$10,000,000 for any one city; or
- (2) \$20,000,000 for any number of cities in any one county.

(i) The total amount of allocations for student loan bonds from the unified pool may not exceed \$25,000,000 per year.

(j) If there is insufficient bonding authority to fund all projects within any qualified bond category other than enterprise zone facility projects, manufacturing projects, and residential rental projects, allocations shall be awarded by lot unless otherwise agreed to by the respective issuers.

(k) If an application is rejected, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted.

(l) The granting of an allocation of bonding authority under this section must be evidenced by issuance of a certificate of allocation.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 32. Laws 2021, First Special Session chapter 8, article 6, section 1, subdivision 7, is amended to read:

Subd. 7. **Report.** (a) No later than February 1, 2022, the task force shall submit an initial report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over housing and preventing homelessness on its findings and recommendations.

(b) No later than ~~August 31, 2022~~ December 15, 2022, the task force shall submit a final report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over housing and preventing homelessness on its findings and recommendations.

Sec. 33. **PROHIBITION OF GRANT FUNDS FOR HIRING A LOBBYIST.**

No grant funds awarded by the Housing Finance Agency may be used to hire a lobbyist as defined in Minnesota Statutes, section 10A.01, subdivision 21.

Sec. 34. **REPORT ON RENT CONTROL; PROHIBITION ON USE OF FUNDS.**

(a) The Housing Finance Agency must complete a report regarding the impact of rent control on housing markets. The report must explore the impact of rent control throughout the United States, and may explore international housing markets. The report must also include but is not limited to an examination of the following:

(1) the current housing market, including an analysis of supply and demand, in Minnesota, in the Twin Cities metropolitan area, and within the cities of Minneapolis and St. Paul;

(2) the impact, both nationally and within Minnesota, on the construction of new housing units within jurisdictions that have enacted rent control policies, as well as on nearby jurisdictions without rent control policies;

(3) the impact of rent control on the maintenance of residential properties;

(4) whether enactment of rent control policies has led to increases in other regulatory burdens related to housing in jurisdictions that have imposed rent control; and

(5) how rent control policies enacted within Minnesota compare to policies in jurisdictions across the United States, including how various jurisdictions define "rent" for the purposes of their

policies, whether such policies exempt new construction, whether such policies allow for tenancy decontrol, and how "fair return on investment" policies operate in other jurisdictions with rent control policies, including an examination of how such policies are administered and the criteria used to determine what constitutes a fair return on investment.

(b) The agency must consult with stakeholders, including renters, landlords, developers, tradespeople, financiers and lending institutions, and local governments during the preparation of the report. The agency must also consult relevant academic literature and may consult with academic institutions during the preparation of the report.

(c) The report must be submitted to chairs and ranking minority members of the legislative committees with jurisdiction over housing by August 1, 2023.

(d) Until the report required by this section is delivered, the Housing Finance Agency must not use any funds from any source on multifamily housing projects in cities that have adopted a rent control ordinance.

Sec. 35. **REPEALER.**

Minnesota Statutes 2020, section 471.9996, subdivision 2, is repealed.

EFFECTIVE DATE. This section is effective retroactively from November 1, 2021."

Amend the title as follows:

Page 1, line 2, delete "agriculture" and insert "state government"

Page 1, line 6, after the semicolon, insert "appropriating money for the Minnesota Housing Finance Agency supplemental budget;"

Amend the title numbers accordingly

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

Senator Kiffmeyer from the Committee on State Government Finance and Policy and Elections, to which was re-referred

S.F. No. 4209: A bill for an act relating to children and families; establishing the Office of the Foster Youth Ombudsperson and Board of the Foster Youth Ombudsperson; appropriating money for the Office of the Foster Youth Ombudsperson and Board of the Foster Youth Ombudsperson; proposing coding for new law in Minnesota Statutes, chapters 13; 260C.

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

Page 1, line 15, after "proceedings" insert "that do not pertain to juveniles certified as adults, that are"

Page 2, after line 23, insert:

"(4) one guardian ad litem who is currently appointed to protect the interests of minors in cases in the juvenile court system;"

Page 2, line 24, delete "(4)" and insert "(5)"

Page 2, line 25, delete "(5)" and insert "(6)"

Page 3, line 12, after the period, insert "The Office of the Foster Youth Ombudsperson shall receive administrative support from the commissioner of administration under section 16B.371."

Page 6, line 4, delete "\$650,000" and insert "\$775,000" and delete "governor's" and insert "Office of the Foster Youth Ombudsperson"

Page 6, line 5, delete "office"

Page 6, line 6, after the period, insert "The base for this appropriation is \$726,000 in fiscal year 2024 and \$726,000 in fiscal year 2025."

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

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Senator Utke from the Committee on Health and Human Services Finance and Policy, to which was re-referred

S.F. No. 4045: A bill for an act relating to rare diseases; modifying provisions governing the Rare Disease Advisory Council; instructing the revisor of statutes to renumber certain statutes; appropriating money; amending Minnesota Statutes 2020, section 137.68.

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

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Senator Utke from the Committee on Health and Human Services Finance and Policy, to which was re-referred

S.F. No. 3249: A bill for an act relating to mental health; creating a mental health provider supervision grant program; modifying adult mental health initiatives; modifying intensive residential treatment services; modifying mental health fee-for-service payment rate; removing county share; creating mental health urgency room grant program; directing the commissioner to develop medical assistance mental health benefit for children; establishing forensic navigator services; appropriating money; amending Minnesota Statutes 2020, sections 245.4661, as amended; 256B.0622, subdivision 5a; Minnesota Statutes 2021 Supplement, sections 245I.23, subdivision 19; 256B.0625, subdivisions 5, 56a; proposing coding for new law in Minnesota Statutes, chapters 144; 245; 611; repealing Minnesota Statutes 2020, section 245.4661, subdivision 8.

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

Page 2, after line 24, insert:

"Sec. 2. Minnesota Statutes 2020, section 144.55, subdivision 4, is amended to read:

Subd. 4. **Routine inspections; presumption.** Any hospital surveyed and accredited under the standards of the hospital accreditation program of an approved accrediting organization that submits to the commissioner within a reasonable time copies of (a) its currently valid accreditation certificate and accreditation letter, together with accompanying recommendations and comments and (b) any further recommendations, progress reports and correspondence directly related to the accreditation is presumed to comply with application requirements of subdivision 1 and the standards requirements of subdivision 3 and no further routine inspections or accreditation information shall be required by the commissioner to determine compliance. Notwithstanding the provisions of sections 144.54 and 144.653, subdivisions 2 and 4, hospitals shall be inspected only as provided in this section. The provisions of section 144.653 relating to the assessment and collection of fines shall not apply to any hospital. The commissioner of health shall annually conduct, with notice, validation inspections of a selected sample of the number of hospitals accredited by an approved accrediting organization, not to exceed ten percent of accredited hospitals, for the purpose of determining compliance with the provisions of subdivision 3. If a validation survey discloses a failure to comply with subdivision 3, the provisions of section 144.653 relating to correction orders, reinspections, and notices of noncompliance shall apply. The commissioner shall also conduct any inspection necessary to determine whether hospital construction, addition, or remodeling projects comply with standards for construction promulgated in rules pursuant to subdivision 3. The commissioner may also conduct inspections to determine whether a hospital or hospital corporate system continues to satisfy the conditions on which a hospital construction moratorium exception was granted under section 144.551, subdivision 1a. Pursuant to section 144.653, the commissioner shall inspect any hospital that does not have a currently valid hospital accreditation certificate from an approved accrediting organization. Nothing in this subdivision shall be construed to limit the investigative powers of the Office of Health Facility Complaints as established in sections 144A.51 to 144A.54.

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

Sec. 3. Minnesota Statutes 2020, section 144.55, subdivision 6, is amended to read:

Subd. 6. **Suspension, revocation, and refusal to renew.** (a) The commissioner may refuse to grant or renew, or may suspend or revoke, a license on any of the following grounds:

(1) violation of any of the provisions of sections 144.50 to 144.56 or the rules or standards issued pursuant thereto, or Minnesota Rules, chapters 4650 and 4675;

(2) permitting, aiding, or abetting the commission of any illegal act in the institution;

(3) conduct or practices detrimental to the welfare of the patient; or

(4) obtaining or attempting to obtain a license by fraud or misrepresentation; or

(5) with respect to hospitals and outpatient surgical centers, if the commissioner determines that there is a pattern of conduct that one or more physicians or advanced practice registered nurses who have a "financial or economic interest," as defined in section 144.6521, subdivision 3, in the hospital or outpatient surgical center, have not provided the notice and disclosure of the financial or economic interest required by section 144.6521.

(b) The commissioner shall not renew a license for a boarding care bed in a resident room with more than four beds.

(c) The commissioner shall not renew licenses for hospital beds issued to a hospital or hospital corporate system pursuant to a hospital construction moratorium exception under section 144.551, subdivision 1a, if the commissioner determines the hospital or hospital corporate system is not satisfying the conditions on which the exception was granted.

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

Sec. 4. Minnesota Statutes 2020, section 144.551, is amended by adding a subdivision to read:

Subd. 1a. **Exception for increased mental health bed capacity.** (a) From August 1, 2022, to July 31, 2027, subdivision 1, paragraph (a), and sections 144.552 and 144.553, do not apply to:

(1) those portions of any erection, building, alteration, reconstruction, modernization, improvement, extension, lease, or other acquisition by or on behalf of a hospital that increase the mental health bed capacity of a hospital; or

(2) the establishment of a new psychiatric hospital.

(b) Any hospital that increases its bed capacity or is established under this subdivision must use all the newly licensed beds exclusively for mental health services.

(c) The commissioner shall monitor the implementation of exceptions under this subdivision. Each hospital or hospital corporate system granted an exception under this subdivision shall submit to the commissioner each year a report on how the hospital or hospital corporate system continues to satisfy the conditions on which the exception was granted.

(d) Any hospital found to be in violation of this subdivision is subject to sanction under section 144.55, subdivision 6, paragraph (c).

(e) By January 15, 2027, the commissioner of health shall submit to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health a report containing the location of every hospital that has expanded its capacity or been established under this subdivision and summary data by location of the patient population served in the newly licensed beds, including age, duration of stay, and county of residence. A hospital that expands its capacity or is established under this subdivision must provide the patient information the commissioner requests to fulfill the requirements of this paragraph. For the purposes of section 144.55, subdivision 6, paragraph (c), a hospital's failure to provide data requested by the commissioner is a failure to satisfy the conditions on which an exception is granted under this subdivision.

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

Page 3, after line 21, insert:

"(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;"

Page 3, line 22, strike "(3)" and insert "(4)"

Page 3, line 24, strike "(4)" and insert "(5)"

Page 4, after line 18, insert:

"Subd. 5a. **Evaluations.** The commissioner, in consultation with the commissioner of management and budget, and within available appropriations, shall create and maintain an inventory of adult mental health initiative services administered by the county boards, identifying evidence-based services and services that are theory-based or promising practices. The commissioner, in consultation with the commissioner of management and budget, shall select adult mental health initiative services that are promising practices or theory-based activities for which the commissioner of management and budget shall conduct evaluations using experimental or quasi-experimental design. The commissioner of human services shall encourage county boards to administer adult mental health initiative services to support experimental or quasi-experimental evaluation and shall require county boards to collect and report information that is needed to complete the evaluation for any adult mental health initiative service that is selected for an evaluation. The commissioner of management and budget, under section 15.08, may obtain additional relevant data to support the experimental or quasi experimental evaluation studies."

Page 7, delete section 4 and insert:

"Sec. 7. Minnesota Statutes 2021 Supplement, section 245I.23, is amended by adding a subdivision to read:

Subd. 19a. **Locked facilities; additional requirements.** (a) License holders that prohibit clients from leaving the facility by locking exit doors or other methods must meet the additional requirements of this subdivision.

(b) The license holder must meet all applicable building and fire codes to operate a building with locked exit doors. The license holder must have the appropriate health license for operating a program with locked exit doors as determined by the Department of Health.

(c) The license holder's policies and procedures must describe the types of court orders that authorize the facility to prohibit clients from leaving the facility.

(d) For each client at the facility under a court order the license holder must maintain documentation of the order that authorizes the facility to prohibit the client from leaving the facility.

(e) Upon admission, the license holder must document in the client file that the client was informed:

(1) that the client has the right to leave the facility according to the rights in section 144.651, subdivision 21; or

(2) that the client cannot leave the facility due to an order that authorizes the license holder to prohibit the client from leaving the facility.

(f) If the license holder prohibits a client from leaving the facility, the client's treatment plan must reflect this restriction.

EFFECTIVE DATE. This section is effective July 1, 2022, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained."

Page 18, after line 28, insert:

"Sec. 16. **ONLINE MUSIC INSTRUCTION GRANT PROGRAM.**

(a) The commissioner of health shall award a grant to a community music education and performance center to partner with schools and early childhood centers to provide online music instruction to students and children for the purpose of increasing student self-confidence, providing students with a sense of community, and reducing individual stress. In applying for the grant, an applicant must commit to providing at least a 30 percent match of the funds allocated. The applicant must also include in the application the measurable outcomes the applicant intends to accomplish with the grant funds.

(b) The grantee shall use grant funds to partner with schools or early childhood centers that are designated Title I schools or centers or are located in rural Minnesota, and may use the funds in consultation with the music or early childhood educators in each school or early childhood center to provide individual or small group music instruction, sectional ensembles, or other group music activities, music workshops, or early childhood music activities. At least half of the online music programs must be in partnership with schools or early childhood centers located in rural Minnesota. A grantee may use the funds awarded to supplement or enhance an existing online music program within a school or early childhood center that meets the criteria described in this paragraph.

(c) The grantee must contract with a third-party entity to evaluate the success of the online music program. The evaluation must include interviews with the music educators and students at the schools and early childhood centers where an online music program was established. The results of the evaluation must be submitted to the commissioner of health and to the chairs and ranking minority members of the legislative committees with jurisdiction over mental health policy and finance by December 15, 2025."

Page 19, line 2, delete "\$....." and insert "\$2,400,000"

Page 19, line 6, delete "\$....." and insert "\$2,000,000"

Page 19, line 9, after "CRISIS" insert "SERVICES"

Page 19, line 10, delete everything before "general" and insert "The" and delete everything after "fund" and insert "base"

Page 19, line 11, delete everything before the first "for"

Page 19, line 12, after "(15)" insert ", is increased by \$4,000,000 in fiscal year 2024 and increased by \$8,000,000 in fiscal year 2025"

Page 19, line 15, delete "\$....." and insert "\$4,500,000"

Page 19, line 21, delete "\$....." and insert "\$2,750,000"

Page 20, line 3, delete "\$....." and insert "\$2,000,000"

Page 20, line 8, delete "\$....." and insert "\$1,500,000"

Page 20, line 14, delete everything before "general" and insert "(a) The" and delete everything after "fund" and insert "base for adult mental health initiative services under Minnesota Statutes, section 245.4661, is increased by \$10,325,000 in fiscal year 2025."

Page 20, delete lines 15 and 16 and insert:

"(b) \$400,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of management and budget to create and maintain an inventory of adult mental health initiative services and to conduct evaluations of adult mental health initiative services that are promising practices or theory-based activities under Minnesota Statutes, section 245.4661, subdivision 5a."

Page 20, line 18, delete "\$2,000,000" and insert "\$6,000,000"

Page 20, line 20, delete everything after the period

Page 20, delete line 21

Page 20, before line 22, insert:

"Sec. 26. **APPROPRIATION.**

\$300,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of health to award a grant for the online music instruction grant program. This is a onetime appropriation and is available until June 30, 2025.

Sec. 27. APPROPRIATION; OFFICER-INVOLVED COMMUNITY-BASED CARE COORDINATION.

\$11,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of human services for medical assistance rates for officer-involved community-based care coordination. The general fund base for this appropriation is \$10,000 in fiscal year 2024 and \$15,000 in fiscal year 2025.

Sec. 28. APPROPRIATION; MENTAL HEALTH BENEFIT FOR CHILDREN IN CRISIS.

\$500,000 is appropriated from the general fund to the commissioner of human services for the development of a medical assistance eligible mental health benefit for children in crisis under section 14. This is a onetime appropriation.

Sec. 29. APPROPRIATION; FEE-FOR-SERVICE MENTAL HEALTH RATES.

\$19,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of human services to monitor the fee-for-service mental health minimum rate under Minnesota Statutes, section 256B.0625, subdivision 5. The general fund base for this appropriation is \$22,000 in fiscal year 2024 and \$22,000 in fiscal year 2025."

Renumber the sections in sequence

Amend the title as follows

Page 1, line 7, after "services;" insert "creating an online music instruction grant program; creating an exception to the hospital construction moratorium for projects that add mental health beds;"

Amend the title numbers accordingly

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

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

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

H.F. No. 3216 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
3216	2647				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

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

H.F. No. 3217 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
3217	3585				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

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

H.F. No. 3545 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS

H.F. No.	S.F. No.
3545	2950

CONSENT CALENDAR

H.F. No.	S.F. No.
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CALENDAR

H.F. No.	S.F. No.
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and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

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

H.F. No. 4406 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS

H.F. No.	S.F. No.
4406	3409

CONSENT CALENDAR

H.F. No.	S.F. No.
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CALENDAR

H.F. No.	S.F. No.
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and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 4062 and 4019 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 3216, 3217, 3545, and 4406 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Goggin and Jasinski introduced--

S.F. No. 4460: A bill for an act relating to capital investment; appropriating money for a new regional wastewater treatment facility in Goodhue County; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Anderson introduced--

S.F. No. 4461: A bill for an act relating to natural resources; modifying personal watercraft operation requirements; amending Minnesota Statutes 2020, section 86B.313, subdivision 1.

Referred to the Committee on Environment and Natural Resources Policy and Legacy Finance.

Senator Coleman introduced--

S.F. No. 4462: A bill for an act relating to capital investment; appropriating money for Lake Waconia Regional Park; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

MOTIONS AND RESOLUTIONS

Senator Rosen moved that her name be stricken as chief author, shown as a co-author, and the name of Senator Draheim be shown as chief author to S.F. No. 3249. The motion prevailed.

Senator Rarick moved that the name of Senator Lang be added as a co-author to S.F. No. 3320. The motion prevailed.

Senator Draheim moved that the name of Senator Dziejdzic be added as a co-author to S.F. No. 3993. The motion prevailed.

Senator Senjem moved that the name of Senator Ingebrigtsen be added as a co-author to S.F. No. 4243. The motion prevailed.

Senator Kunesh moved that the name of Senator Dziejdzic be added as a co-author to S.F. No. 4304. The motion prevailed.

Senator Champion moved that the name of Senator Dziejdzic be added as a co-author to S.F. No. 4327. The motion prevailed.

Senator Bigham moved that the names of Senators Dziejdzic and Marty be added as co-authors to S.F. No. 4341. The motion prevailed.

Senator Coleman moved that the names of Senators Senjem, Duckworth, and Nelson be added as co-authors to S.F. No. 4394. The motion prevailed.

Senator Eichorn moved that the name of Senator Anderson be added as a co-author to S.F. No. 4408. The motion prevailed.

Senator Dibble introduced --

Senate Resolution No. 121: A Senate resolution congratulating Elaina Jones of Minneapolis, Minnesota, for receiving the Girl Scout Gold Award.

Referred to the Committee on Rules and Administration.

Senators Abeler, Newton, and Hoffman introduced --

Senate Resolution No. 122: A Senate resolution congratulating Federal Ammunition of Anoka on its 100th anniversary.

Referred to the Committee on Rules and Administration.

RECESS

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

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

REPORTS OF COMMITTEES

Senator Newman moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 3881. The motion prevailed.

Senator Pratt from the Committee on Jobs and Economic Growth Finance and Policy, to which was re-referred

S.F. No. 3881: A bill for an act relating to labor and industry; appropriating money for the Department of Labor and Industry; making policy and technical changes; amending Minnesota Statutes 2020, sections 326B.106, subdivision 4; 326B.163, subdivisions 5, 11, 12, 13, 15, 16, by adding a subdivision; 326B.164, subdivisions 2, 4; 326B.36, subdivision 7, by adding a subdivision; 326B.42, subdivisions 1b, 1c; 326B.437; 326B.46, subdivision 2; Minnesota Statutes 2021 Supplement, section 326B.153, subdivision 1; Laws 2021, First Special Session chapter 10, article 3, section 14, subdivision 1.

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

Page 2, line 1, delete "2,505,000" and insert "25,000"

Page 2, line 4, delete "747,000" and insert "25,000"

Page 2, delete lines 5 to 10

Page 2, line 11, delete "747,000" and insert "25,000"

Page 2, line 12, delete everything before "in" and insert "\$25,000"

Page 2, line 14, after the period, insert "This is a onetime appropriation."

Page 2, delete lines 15 to 20

Page 4, delete lines 29 to 33

Page 5, delete lines 1 to 6

Page 6, delete section 3 and insert:

"Sec. 3. Minnesota Statutes 2020, section 326B.163, subdivision 5, is amended to read:

Subd. 5. **Elevator.** As used in this chapter, "elevator" means moving walks and vertical transportation devices such as escalators, passenger elevators, freight elevators, dumbwaiters, hand-powered elevators, endless belt lifts, and ~~wheelchair~~ platform lifts. Elevator does not include external temporary material lifts or temporary construction personnel elevators at sites of construction of new or remodeled buildings."

Page 7, delete section 5 and insert:

"Sec. 5. Minnesota Statutes 2020, section 326B.164, subdivision 13, is amended to read:

Subd. 13. **Exemption from licensing.** (a) Employees of a licensed elevator contractor or licensed limited elevator contractor are not required to hold or obtain a license under this section or be provided with direct supervision by a licensed master elevator constructor, licensed limited master elevator constructor, licensed elevator constructor, or licensed limited elevator constructor to install, maintain, or repair platform lifts and stairway chairlifts. Unlicensed employees performing elevator work under this exemption must comply with subdivision 5. This exemption does not include the installation, maintenance, repair, or replacement of electrical wiring for elevator equipment.

(b) Contractors or individuals shall not be required to hold or obtain a license under this section when performing work on:

(1) conveyors, including vertical reciprocating conveyors;

(2) platform lifts not covered under section 326B.163, subdivision 5a; or

(3) dock levelers."

Page 7, delete sections 6 to 8

Page 8, delete sections 9 to 10

Page 9, delete section 11

Renumber the subdivisions and sections in sequence

Amend the title numbers accordingly

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

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Senator Pratt from the Committee on Jobs and Economic Growth Finance and Policy, to which was referred

S.F. No. 4091: A bill for an act relating to state government; making supplemental appropriations for the Department of Employment and Economic Development, Workers' Compensation Court of

Appeals, and Bureau of Mediation Services; modifying Department of Employment and Economic Development policy provisions; replenishing the unemployment insurance trust fund; establishing paid family and medical benefits; establishing grant programs; amending Minnesota Statutes 2020, sections 13.719, by adding a subdivision; 116J.55, subdivision 6; 116J.552, subdivision 6; 116J.8747; 116J.8770; 116J.993, subdivision 3; 116L.04, subdivision 1a; 116L.17, subdivision 1; 116L.98, subdivisions 2, 3; 177.27, subdivision 4; 181.032; 256J.561, by adding a subdivision; 256J.95, subdivisions 3, 11; 268.19, subdivision 1; Minnesota Statutes 2021 Supplement, section 256P.01, subdivision 3; Laws 2019, First Special Session chapter 7, article 2, section 8, as amended; proposing coding for new law in Minnesota Statutes, chapter 116J; proposing coding for new law as Minnesota Statutes, chapter 268B.

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 under "Appropriations" are added to the appropriations in Laws 2021, First Special Session chapter 10, or other law to the specified agencies. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. Appropriations for the fiscal year ending June 30, 2022, are effective the day following final enactment.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2022</u>	<u>2023</u>

Sec. 2. **DEPARTMENT OF LABOR AND INDUSTRY**

	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>225,000</u>
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(a) \$175,000 is to study the adequacy of current benefits available to disabled or injured police officers, firefighters, and state troopers. The study shall consider workers' compensation, disability, and pension benefits and the adequacy of these benefits for Minnesota police officers, firefighters, and state troopers. At least one public hearing shall be held. The Public Employees Retirement Association shall cooperate with

the department in conducting this study. The department shall issue a report no later than January 15, 2023, to the chairs and ranking minority members of the standing committees of the house of representatives and the senate having jurisdiction over public safety and employment issues and to the chair of the Legislative Commission on Pensions and Retirement.

(b)(1) \$50,000 in fiscal year 2023 is appropriated from the workforce development fund to the commissioner of labor and industry for a grant to Abijah's on the Backside to provide equine experiential mental health therapy to first responders suffering from job-related trauma and post-traumatic stress disorder.

(2) For purposes of this section, a "first responder" is a peace officer as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c); a full-time firefighter as defined in Minnesota Statutes, section 299N.03, subdivision 5; or a volunteer firefighter as defined in Minnesota Statutes, section 299N.03, subdivision 7.

(3) Abijah's on the Backside must report to the commissioner of labor and industry and the chairs and ranking minority members of the house of representatives and senate committees overseeing labor and industry policy and finance on the equine experiential mental health therapy provided to first responders under this section. The report must include an overview of the program's budget, a detailed explanation of program expenditures, the number of first responders served by the program, and a list and explanation of the services provided to and benefits received by program participants. An initial report is due by January 15, 2023, and a final report is due by January 15, 2024.

Sec. 3. Laws 2021, First Special Session chapter 10, article 1, section 5, is amended to read:

Sec. 5. BUREAU OF MEDIATION SERVICES	\$	2,370,000	\$	2,415,000
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(a) \$125,000 each year is for purposes of the Public Employment Relations Board under Minnesota Statutes, section 179A.041. This is a onetime appropriation.

~~(b) \$68,000 each year is for grants to area labor management committees. Grants may be awarded for a 12-month period beginning July 1 each year. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.~~

~~(e) \$47,000 each year is for rulemaking, staffing, and other costs associated with peace officer grievance procedures.~~

Sec. 4. MINNESOTA INVESTMENT FUND AND MINNESOTA JOB CREATION FUND REQUIREMENTS EXTENSIONS.

Notwithstanding any other law to the contrary, a recipient of a Minnesota Investment Fund grant under Minnesota Statutes, section 116J.8731, or a recipient of a Minnesota Job Creation Fund grant under Minnesota Statutes, section 116J.8748, who is unable to meet the minimum capital investment requirements, wage, or minimum job creation goals or requirements provided in a business subsidy agreement, as applicable, during or within the 12-month period following a peacetime emergency related to the COVID-19 pandemic shall be granted an extension until December 31, 2023, to meet those capital investment, wage, or job creation goals or requirements before the grant must be repaid.

EFFECTIVE DATE. This section is effective retroactively from March 15, 2020.

ARTICLE 2

DEED POLICY

Section 1. Minnesota Statutes 2020, section 116J.035, is amended by adding a subdivision to read:

Subd. 7a. **Competitive grants.** The commissioner shall, when awarding competitive grants to organizations for the purpose of providing job training, give priority to programs or organizations that focus job training in high-wage, high-demand careers. For purposes of this subdivision, "high-wage, high-demand" has the meaning given in section 116L.99.

Sec. 2. Minnesota Statutes 2020, section 116J.55, subdivision 6, is amended to read:

Subd. 6. **Eligible expenditures.** (a) Money in the account established in subdivision 3 must be used only to:

(1) award grants to eligible communities under this section; and

(2) reimburse the department's reasonable costs to administer this section, up to a maximum of five percent of the appropriation made to the commissioner under this section. The commissioner may transfer part of the allowable administrative portion of this appropriation to the Environmental Quality Board to assist communities with regulatory coordination, and dedicated technical assistance on conversion for these communities.

(b) An eligible community awarded a grant under this section may use the grant to plan for or address the economic and social impacts on the eligible community of the electric generating plant's cessation of operations, including but not limited to land use studies, economic planning, researching, planning, and implementing activities and impact studies and other planning activities enabling communities to become shovel-ready and support the transition from power plants to other economic activities to minimize the negative impacts of power plant closures on tax revenues and jobs designed to:

(1) assist workers at the plant find new employment, including worker retraining and developing small business start-up skills;

(2) increase the eligible community's property tax base; and

(3) develop alternative economic development strategies to attract new employers to the eligible community.

Sec. 3. Minnesota Statutes 2020, section 116J.552, subdivision 6, is amended to read:

Subd. 6. **Municipality.** "Municipality" means the statutory or home rule charter city, town, federally recognized Tribe, or, in the case of unorganized territory, the county in which the site is located.

Sec. 4. Minnesota Statutes 2020, section 116J.8747, subdivision 2, is amended to read:

Subd. 2. **Qualified job training program.** To qualify for grants under this section, a job training program must satisfy the following requirements:

(1) the program must be operated by a nonprofit corporation that qualifies under section 501(c)(3) of the Internal Revenue Code;

(2) the program may spend up to \$5,500 in total training per participant;

(3) the program must provide education and training in:

(i) basic skills, such as reading, writing, financial literacy, digital literacy, mathematics, and communications;

(ii) long-term plans for success including participant coaching for two years after placement;

(iii) soft skills, including skills critical to success on the job; and

(iv) access to internships, technology training, personal and emotional intelligence skill development, and other support services;

(4) the program may provide ~~income supplements not to exceed \$2,000 per participant~~ support services, when needed, to participants for housing, counseling, tuition, and other basic needs;

(5) individuals served by the program must be 18 years of age or older as of the date of enrollment, and have household income in the six months immediately before entering the program that is 200 percent or less of the federal poverty guideline for Minnesota, based on family size; and

(6) the program must be certified by the commissioner of employment and economic development as meeting the requirements of this subdivision.

Sec. 5. Minnesota Statutes 2020, section 116J.8747, subdivision 3, is amended to read:

Subd. 3. **Graduation and retention grant requirements.** (a) For purposes of a placement grant under this section, a qualified graduate is a graduate of a job training program qualifying under subdivision 2 who is placed in a job in Minnesota that pays at least the current state minimum wage. To qualify for a retention grant under this section for a retention fee, a job in which the graduate is retained must pay at least the current state minimum wage.

(b) Programs are limited to one placement and one retention payment for a qualified graduate in a performance program.

Sec. 6. Minnesota Statutes 2020, section 116J.8747, subdivision 4, is amended to read:

Subd. 4. **Duties of program.** (a) A program certified by the commissioner under subdivision 2 must comply with the requirements of this subdivision.

(b) A program must maintain and provide upon request records for each qualified graduate. The records must include information sufficient to verify the graduate's eligibility under this section, identify the employer, and describe the job including its compensation rate ~~and~~, benefits, and average hours per week.

(c) A program is subject to the reporting requirements under section 116L.98.

Sec. 7. Minnesota Statutes 2020, section 116J.993, subdivision 3, is amended to read:

Subd. 3. **Business subsidy.** "Business subsidy" or "subsidy" means a state or local government agency grant, contribution of personal property, real property, infrastructure, the principal amount of a loan at rates below those commercially available to the recipient, any reduction or deferral of any tax or any fee, any guarantee of any payment under any loan, lease, or other obligation, or any preferential use of government facilities given to a business.

The following forms of financial assistance are not a business subsidy:

(1) a business subsidy of less than \$150,000;

(2) assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of business, size, location, or similar general criteria;

(3) public improvements to buildings or lands owned by the state or local government that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;

(4) redevelopment property polluted by contaminants as defined in section 116J.552, subdivision 3;

(5) assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code and assistance provided for designated historic preservation districts, provided that the assistance is equal to or less than 50 percent of the total cost;

(6) assistance to provide job readiness and training services if the sole purpose of the assistance is to provide those services;

(7) assistance for housing;

(8) assistance for pollution control or abatement, including assistance for a tax increment financing hazardous substance subdistrict as defined under section 469.174, subdivision 23;

(9) assistance for energy conservation;

(10) tax reductions resulting from conformity with federal tax law;

(11) workers' compensation and unemployment insurance;

(12) benefits derived from regulation;

(13) indirect benefits derived from assistance to educational institutions;

(14) funds from bonds allocated under chapter 474A, bonds issued to refund outstanding bonds, and bonds issued for the benefit of an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1999;

(15) assistance for a collaboration between a Minnesota higher education institution and a business;

(16) assistance for a tax increment financing soils condition district as defined under section 469.174, subdivision 19;

(17) redevelopment when the recipient's investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current year's estimated market value;

(18) general changes in tax increment financing law and other general tax law changes of a principally technical nature;

(19) federal assistance until the assistance has been repaid to, and reinvested by, the state or local government agency;

(20) funds from dock and wharf bonds issued by a seaway port authority;

(21) business loans and loan guarantees of \$150,000 or less;

(22) federal loan funds provided through the United States Department of Commerce, Economic Development Administration, Department of the Treasury; and

(23) property tax abatements granted under section 469.1813 to property that is subject to valuation under Minnesota Rules, chapter 8100.

Sec. 8. Minnesota Statutes 2020, section 116L.04, subdivision 1a, is amended to read:

Subd. 1a. **Pathways program.** The pathways program may provide grants-in-aid for developing programs which assist in the transition of persons from welfare to work and assist individuals at or below 200 percent of the federal poverty guidelines. The program is to be operated by the board. The board shall consult and coordinate with program administrators at the Department of Employment and Economic Development to design and provide services for temporary assistance for needy families recipients.

Pathways grants-in-aid may be awarded to educational or other nonprofit training institutions or to workforce development intermediaries for education and training programs and services supporting education and training programs that serve eligible recipients.

Preference shall be given to projects that:

- (1) provide employment with benefits paid to employees;
- (2) provide employment where there are defined career paths for trainees;
- (3) pilot the development of an educational pathway that can be used on a continuing basis for transitioning persons from welfare to work; and
- (4) demonstrate the active participation of Department of Employment and Economic Development workforce centers, Minnesota State College and University institutions and other educational institutions, and local welfare agencies.

Pathways projects must demonstrate the active involvement and financial commitment of participating private ~~business~~ businesses, Tribal-owned businesses, and municipal and county hospitals. Pathways projects must be matched with cash or in-kind contributions on at least a one-half-to-one ratio by participating private ~~business~~ businesses, Tribal-owned businesses, and municipal or county hospitals.

A single grant to any one institution shall not exceed \$400,000. A portion of a grant may be used for preemployment training.

Sec. 9. Minnesota Statutes 2020, section 116L.17, subdivision 1, is amended to read:

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

(b) "Commissioner" means the commissioner of employment and economic development.

(c) "Dislocated worker" means an individual who is a resident of Minnesota at the time employment ceased or was working in the state at the time employment ceased and:

(1) has been permanently separated or has received a notice of permanent separation from public or private sector employment and is eligible for or has exhausted entitlement to unemployment benefits, and is unlikely to return to the previous industry or occupation;

(2) has been long-term unemployed and has limited opportunities for employment or reemployment in the same or a similar occupation in the area in which the individual resides, including older individuals who may have substantial barriers to employment by reason of age;

(3) has been terminated or has received a notice of termination of employment as a result of a plant closing or a substantial layoff at a plant, facility, or enterprise;

(4) has been self-employed, including farmers and ranchers, and is unemployed as a result of general economic conditions in the community in which the individual resides or because of natural disasters;

(5) is a veteran as defined by section 197.447, has been discharged or released from active duty under honorable conditions within the last 36 months, and (i) is unemployed or (ii) is employed in a job verified to be below the skill level and earning capacity of the veteran;

(6) is an individual determined by the United States Department of Labor to be covered by trade adjustment assistance under United States Code, title 19, sections 2271 to 2331, as amended; or

(7) is a displaced homemaker. A "displaced homemaker" is an individual who has spent a substantial number of years in the home providing homemaking service and (i) has been dependent upon the financial support of another; and ~~now~~ due to divorce, separation, death, or disability of that person, must now find employment to self support; or (ii) derived the substantial share of support from public assistance on account of dependents in the home and no longer receives such support. To be eligible under this clause, the support must have ceased while the worker resided in Minnesota.

For the purposes of this section, "dislocated worker" does not include an individual who was an employee, at the time employment ceased, of a political committee, political fund, principal campaign committee, or party unit, as those terms are used in chapter 10A, or an organization required to file with the federal elections commission.

(d) "Eligible organization" means a state or local government unit, nonprofit organization, community action agency, business organization or association, or labor organization.

(e) "Plant closing" means the announced or actual permanent shutdown of a single site of employment, or one or more facilities or operating units within a single site of employment.

(f) "Substantial layoff" means a permanent reduction in the workforce, which is not a result of a plant closing, and which results in an employment loss at a single site of employment during any 30-day period for at least 50 employees excluding those employees that work less than 20 hours per week.

Sec. 10. [116L.36] REQUIREMENTS FOR GRANTS TO NONPROFIT ORGANIZATIONS.

Subdivision 1. **Purpose.** In order to ensure that grants are awarded to mission-centered and fiscally responsible grantees, a nonprofit organization that is a recipient of a future or past grant or direct appropriation made by or through the department must provide information to the commissioner as specified in this section.

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

(b) "Compensation" means salary, bonuses, the present value of stock options, the value of employee benefits, employer contributions to retirement or deferred compensation plans on behalf of the officer or employee, and any other compensation or benefit of value.

(c) "Highly compensated employee" means an employee of a nonprofit organization with estimated annual wages that:

(1) are greater than 80 percent of the governor's annual salary; and

(2) are equal to, or greater than, 80 percent of the estimated annual wages of the second highest paid employee of the nonprofit organization.

(d) "Nonprofit organization" means an organization described in United States Code, title 26, section 501(c)(3), and is exempt from income tax under United States Code, title 26, section 501(a).

Subd. 3. **Requirements.** (a) By September 1 of each year, a nonprofit organization that is recipient of a future or past grant or direct appropriation made by or through the department must provide the following to the commissioner:

(1) number of and compensation for any highly compensated employees of the nonprofit organization;

(2) administrative expenses of the nonprofit organization for the previous three years as evidenced by the nonprofit's Internal Revenue Service Form 990;

(3) total functional expenses, including the nonprofit's program expenses, administrative expenses, and fundraising expenses, for the previous three years; and

(4) revenue for the previous three years.

(b) A nonprofit organization that has been in operation for fewer than three years shall submit the data required under paragraph (a), clauses (2) to (4), for the time period since the inception of the nonprofit organization.

Subd. 4. **Reporting to legislature.** Beginning February 15, 2023, and each year thereafter, the commissioner must submit a combined report containing the information provided by the grant recipients to the chairs and ranking minority members of the legislative committees and budget divisions with jurisdiction over economic development. The commissioner shall also include in the report a calculation of each nonprofit's percentage of expenses and a revenue and expenses trend comparison over the previous three years.

Sec. 11. Minnesota Statutes 2020, section 116L.98, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Credential" means postsecondary degrees, diplomas, licenses, and certificates awarded in recognition of an individual's attainment of measurable technical or occupational skills necessary to obtain employment or advance with an occupation. This definition does not include ~~certificates awarded by workforce investment boards~~ or work-readiness certificates.

(c) "Exit" means to have not received service under a workforce program for 90 consecutive calendar days. The exit date is the last date of service.

(d) "Net impact" means the use of matched control groups and regression analysis to estimate the impacts attributable to program participation net of other factors, including observable personal characteristics and economic conditions.

(e) "Pre-enrollment" means the period of time before an individual was enrolled in a workforce program.

Sec. 12. Minnesota Statutes 2020, section 116L.98, subdivision 3, is amended to read:

Subd. 3. **Uniform outcome report card; reporting by commissioner.** (a) By December 31 of each even-numbered year, the commissioner must report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over economic development and workforce policy and finance the following information separately for each of the previous two fiscal or calendar years, for each program subject to the requirements of subdivision 1:

- (1) the total number of participants enrolled;
- (2) the median pre-enrollment wages based on participant wages for the second through the fifth calendar quarters immediately preceding the quarter of enrollment excluding those with zero income;
- (3) the total number of participants with zero income in the second through fifth calendar quarters immediately preceding the quarter of enrollment;
- (4) the total number of participants enrolled in training;
- (5) the total number of participants enrolled in training by occupational group;
- (6) the total number of participants that exited the program and the average enrollment duration of participants that have exited the program during the year;
- (7) the total number of exited participants who completed training;
- (8) the total number of exited participants who attained a credential;
- (9) the total number of participants employed during three consecutive quarters immediately following the quarter of exit, by industry;

(10) the median wages of participants employed during three consecutive quarters immediately following the quarter of exit;

(11) the total number of participants employed during eight consecutive quarters immediately following the quarter of exit, by industry;

(12) the median wages of participants employed during eight consecutive quarters immediately following the quarter of exit;

(13) the total cost of the program;

(14) the total cost of the program per participant;

(15) the cost per credential received by a participant; and

(16) the administrative cost of the program.

(b) The report to the legislature must contain:

(1) participant information by education level, race and ethnicity, gender, and geography, and a comparison of exited participants who completed training and those who did not; and

(2) a list of any grant recipients that did not satisfy all of the reporting requirements of this section for the applicable reporting period.

(c) The requirements of this section apply to programs administered directly by the commissioner or administered by other organizations under a grant made by the department.

Sec. 13. Minnesota Statutes 2020, section 181.032, is amended to read:

181.032 REQUIRED STATEMENT OF EARNINGS BY EMPLOYER; NOTICE TO EMPLOYEE.

(a) At the end of each pay period, the employer shall provide each employee an earnings statement, either in writing or by electronic means, covering that pay period. An employer who chooses to provide an earnings statement by electronic means must provide employee access to an employer-owned computer during an employee's regular working hours to review and print earnings statements.

(b) The earnings statement may be in any form determined by the employer but must include:

(1) the name of the employee;

(2) the rate or rates of pay and basis thereof, including whether the employee is paid by hour, shift, day, week, salary, piece, commission, or other method;

(3) allowances, if any, claimed pursuant to permitted meals and lodging;

(4) the total number of hours worked by the employee unless exempt from chapter 177;

(5) the total amount of gross pay earned by the employee during that period;

- (6) a list of deductions made from the employee's pay;
- (7) the net amount of pay after all deductions are made;
- (8) the date on which the pay period ends;
- (9) the legal name of the employer and the operating name of the employer if different from the legal name;
- (10) the physical address of the employer's main office or principal place of business, and a mailing address if different; and
- (11) the telephone number of the employer.

(c) An employer must provide earnings statements to an employee in writing, rather than by electronic means, if the employer has received at least 24 hours notice from an employee that the employee would like to receive earnings statements in written form. Once an employer has received notice from an employee that the employee would like to receive earnings statements in written form, the employer must comply with that request on an ongoing basis.

(d) ~~At~~ Within seven days of the start of employment, an employer shall provide each employee a ~~written~~ notice, either in writing or by electronic means, containing the following information:

(1) the rate or rates of pay and basis thereof, including whether the employee is paid by the hour, shift, day, week, salary, piece, commission, or other method, and the specific application of any additional rates, as well as any pay schedule or range of pay for an employee who is reasonably expected to move between job duties, classifications, and pay or benefit structures in their day-to-day duties;

(2) allowances, if any, claimed pursuant to permitted meals and lodging;

(3) paid vacation, sick time, or other paid time-off accruals and terms of use;

(4) the employee's employment status and whether the employee is exempt from minimum wage, overtime, and other provisions of chapter 177, and on what basis;

(5) a list of deductions that may be made from the employee's pay;

(6) the number of days in the pay period, the regularly scheduled pay day, and the pay day on which the employee will receive the first payment of wages earned;

(7) the legal name of the employer and the operating name of the employer if different from the legal name;

(8) the physical address of the employer's main office or principal place of business, and a mailing address if different; ~~and~~

(9) the telephone number of the employer; and

(10) a checkbox to indicate whether a hiring employer is a staffing agency and space for a staffing agency to indicate the initial entity for which the employee will perform work.

(e) The employer must keep a copy of the notice under paragraph (d) signed by each employee acknowledging receipt of the notice. An employee's signature on the notice constitutes acknowledgment of receipt of the notice and does not create a contract. For the purposes of this paragraph, "signed" means a written signature or an electronic signature as defined in section 325L.02. The notice must be provided to each employee in English. The English version of the notice must include text provided by the commissioner that informs employees that they may request, by indicating on the form, the notice be provided in a particular language. If requested, the employer shall provide the notice in the language requested by the employee. The commissioner shall make available to employers the text to be included in the English version of the notice required by this section and assist employers with translation of the notice in the languages requested by their employees.

(f) The notice requirement under paragraph (d) is satisfied for an employee if the employee has received all of the information required in paragraph (d) specific to the employee through a collective bargaining agreement, employee handbook, offer letter, or a combination of those documents. In such an instance, the employer must retain a record or listing of the referenced documents that satisfied the notice requirement in paragraph (d).

(g) An employer must provide the employee any ~~written~~ changes to the information contained in the notice under paragraph (d) ~~prior to the~~, either in writing or by electronic means, by the date of the employee's next earnings statement following the date the changes take effect. The notice of changes to information under this paragraph does not require a signature by the employee acknowledging receipt. The requirements of this paragraph are satisfied if the changes to information are contained on the employee's next earnings statement.

(h) Notice is not required under paragraph (g) to an employee for discretionary pay. For the purposes of this section, "discretionary pay" means compensation paid by the employer for which the amount and timing are not disclosed in advance by the employer and are at the employer's sole discretion.

(i) Notice is not required under paragraph (g) to an employee employed by a staffing agency upon subsequent job placements following the initial placement by the staffing agency.

(j) The commissioner shall issue a written warning to an employer upon the first finding of a violation or violations of the notice requirements found in paragraphs (d) to (g). For purposes of this paragraph, discovery by the commissioner of more than one violation of the notice requirements under paragraphs (d) to (g) at the same employer during the same investigation shall be considered a single violation.

Sec. 14. Minnesota Statutes 2020, section 181.101, is amended to read:

181.101 WAGES; HOW OFTEN PAID.

(a) Except as provided in paragraph (b), every employer must pay all wages, including salary, earnings, and gratuities earned by an employee at least once every 31 days and all commissions earned by an employee at least once every three months, on a regular payday designated in advance

by the employer regardless of whether the employee requests payment at longer intervals. Unless paid earlier, the wages earned during the first half of the first 31-day pay period become due on the first regular payday following the first day of work. If wages or commissions earned are not paid, the commissioner of labor and industry or the commissioner's representative may serve a demand for payment on behalf of an employee. In addition to other remedies under section 177.27, if payment of wages is not made within ten days of service of the demand, the commissioner may charge and collect the wages earned at the employee's rate or rates of pay or at the rate or rates required by law, including any applicable statute, regulation, rule, ordinance, government resolution or policy, contract, or other legal authority, whichever rate of pay is greater, and a penalty in the amount of the employee's average daily earnings at the same rate or rates, not exceeding 20 days total, for each day beyond the ten-day limit following the demand. If payment of commissions is not made within ten days of service of the demand, the commissioner may charge and collect the commissions earned and a penalty equal to 1/15 of the commissions earned but unpaid, not exceeding 20 days total, for each day beyond the ten-day limit. Money collected by the commissioner must be paid to the employee concerned. This section does not prevent an employee from prosecuting a claim for wages. This section does not prevent a school district, other public school entity, or other school, as defined under section 120A.22, from paying any wages earned by its employees during a school year on regular paydays in the manner provided by an applicable contract or collective bargaining agreement, or a personnel policy adopted by the governing board. For purposes of this section, "employee" includes a person who performs agricultural labor as defined in section 181.85, subdivision 2. For purposes of this section, wages are earned on the day an employee works. This section provides a substantive right for employees to the payment of wages, including salary, earnings, and gratuities, as well as commissions, in addition to the right to be paid at certain times.

(b) An employer of a volunteer firefighter, as defined in section 424A.001, subdivision 10, a member of an organized first responder squad that is formally recognized by a political subdivision in the state, or a volunteer ambulance driver or attendant must pay all wages earned by the volunteer firefighter, first responder, or volunteer ambulance driver or attendant at least once every 31 days, unless the employer and the employee mutually agree upon payment at longer intervals.

Sec. 15. Minnesota Statutes 2020, section 268.18, is amended by adding a subdivision to read:

Subd. 7. **Overpayments; report to legislature.** Beginning January 15, 2023, and each January 15 thereafter, the commissioner must report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over unemployment insurance for the previous calendar year, to the extent that the following information is not classified as not public under chapter 13 or 268:

(1) the number and total dollar amount of overpayments made by the department, regardless of whether the improper recipient of the overpayment was identified by the department;

(2) the number and total dollar amount of overpayments as a percentage of total claims paid over the same period;

(3) for each overpayment, the dollar amount of the overpayment and information as to whether the overpayment was made due to:

(i) misrepresentation by a legitimate applicant;

(ii) fraud attempt through identity theft; or

(iii) other fraud attempt by an unidentified imposter or hijacker;

(4) information regarding the number of suspected fraud attempts by imposters or hijackers that the department identified and stopped prior to issuing an overpayment; and

(5) the number of times the department referred fraud cases to law enforcement.

Sec. 16. **PAY FOR PERFORMANCE.**

Of the amounts appropriated in law from the workforce development fund for grants to pass-through entities, 25 percent in fiscal year 2024 and 50 percent in fiscal year 2025 are for performance grants under Minnesota Statutes, section 116J.8747."

Delete the title and insert:

"A bill for an act relating to economic development; making policy and technical changes; requiring reports; appropriating money; amending Minnesota Statutes 2020, sections 116J.035, by adding a subdivision; 116J.55, subdivision 6; 116J.552, subdivision 6; 116J.8747, subdivisions 2, 3, 4; 116J.993, subdivision 3; 116L.04, subdivision 1a; 116L.17, subdivision 1; 116L.98, subdivisions 2, 3; 181.032; 181.101; 268.18, by adding a subdivision; Laws 2021, First Special Session chapter 10, article 1, section 5; proposing coding for new law in Minnesota Statutes, chapter 116L."

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

Senator Kiffmeyer from the Committee on State Government Finance and Policy and Elections, to which was referred

S.F. No. 3975: A bill for an act relating to elections; making technical and clarifying changes; amending Minnesota Statutes 2020, sections 203B.07, subdivisions 1, 2, 3; 203B.21, subdivisions 1, 3; 203B.23, subdivision 2; Minnesota Statutes 2021 Supplement, sections 203B.121, subdivision 4; 203B.24, 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

STATE GOVERNMENT APPROPRIATIONS

Section 1. **STATE GOVERNMENT APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2021, First Special Session chapter 12, article 1, 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 "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. All base adjustments identified within this article are adjustments to the base contained in Laws 2021, First Special Session chapter 12, article 1.

	<u>APPROPRIATIONS</u>		
	<u>Available for the Year</u>		
	<u>Ending June 30</u>		
	<u>2022</u>		<u>2023</u>
Sec. 2. <u>SECRETARY OF STATE</u>	<u>\$</u>	<u>-0-</u>	<u>\$ 6,000,000</u>

\$6,000,000 in fiscal year 2023 is to make grants to local units of government to (1) hire temporary staff to enter voter registration applications into the statewide voter registration system as required under Minnesota Statutes, section 201.121, subdivision 1, (2) comply with livestreaming requirements under Minnesota Statutes, sections 203B.082, subdivision 2, and 203B.121, subdivision 7, and (3) purchase ballot paper that conforms to the security marking requirements in Minnesota Statutes, section 204B.36, subdivision 1, paragraph (b). Any amounts under this section not encumbered by January 1, 2023, are transferred to the voting equipment grant account under Minnesota Statutes, section 206.95, and are available until June 30, 2024. This is a onetime appropriation.

Sec. 3. <u>MINNESOTA IT SERVICES</u>	<u>\$</u>	<u>-0-</u>	<u>\$ 4,000,000</u>
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\$4,000,000 in fiscal year 2023 is to livestream and record election-related activity and to retain data as required under Minnesota Statutes, section 203B.155. The base for this appropriation in fiscal year 2024 and each fiscal year thereafter is \$1,000,000.

Sec. 4. Laws 2021, First Special Session chapter 12, article 1, section 6, is amended to read:

Sec. 6. <u>SECRETARY OF STATE</u>	<u>\$</u>	<u>9,684,000</u>	<u>\$</u>	<u>9,152,000</u>
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\$750,000 each year is for transfer to the voting equipment grant account under Minnesota Statutes, section 206.95.

\$1,000,000 each year is for grants to local units of government to implement the provisions of Minnesota Statutes, section 203B.082. This is a onetime appropriation.

ARTICLE 2

STATE GOVERNMENT OPERATIONS

Section 1. [1.1466] STATE FOSSIL.

Subdivision 1. **Designation.** *Castoroides ohioensis*, commonly known as the giant beaver, 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 2020, section 3.303, subdivision 6, is amended to read:

Subd. 6. **Grants; staff; space; equipment; contracts.** (a) The commission may make grants, employ an executive director and other staff, and obtain office space, equipment, and supplies necessary to perform its duties.

(b) The executive director may enter into contracts in compliance with section 3.225 to provide necessary services and supplies for the house of representatives and the senate, and for legislative commissions and joint legislative offices. A contract for professional or technical services that is valued at more than \$50,000 may be made only after the executive director has received written approval from the chair and vice-chair of the commission.

Sec. 3. Minnesota Statutes 2020, section 3.8853, subdivision 4, is amended to read:

Subd. 4. **Access to data; treatment.** Upon request of the director of the Legislative Budget Office, the head or chief administrative officer of each department or agency of state government, including the supreme court, must promptly supply data ~~that are used to~~ used by the agency to prepare or necessary for the Legislative Budget Office to review or prepare a fiscal note, including data that are not public data under section 13.64 or other applicable law, unless there are federal laws or regulations that prohibit the provision of the not public data for this purpose. Not public data supplied under this subdivision may only be used by the Legislative Budget Office to review a department or agency's work in preparing a fiscal note and may not be used or disseminated for any other purpose, including use by or dissemination to a legislator or to any officer, department, agency, or committee within the legislative branch. Violation of this subdivision by the director or other staff of the Legislative Budget Office is cause for removal, suspension without pay, or immediate dismissal at the direction of the oversight commission.

Sec. 4. Minnesota Statutes 2020, section 3.8853, is amended by adding a subdivision to read:

Subd. 4a. **Access to employees.** Upon request of the director of the Legislative Budget Office, the head or chief administrative officer of each department or agency of state government, including the supreme court, must permit reasonable access to employees with subject matter expertise to assist the Legislative Budget Office prepare and review fiscal notes or enacted legislation.

Sec. 5. Minnesota Statutes 2020, section 3.98, subdivision 1, is amended to read:

Subdivision 1. **Preparation; duties.** (a) The head or chief administrative officer of each department or agency of the state government, including the supreme court, shall prepare a fiscal note consistent with the standards and procedures adopted under section 3.8853, at the request of the chair of the standing committee to which a bill has been referred, or the chair of the house of representatives Ways and Means Committee, or the chair of the senate Committee on Finance, and as assigned by the director of the Legislative Budget Office. The Legislative Budget Office may prepare a fiscal note if an agency does not comply with this subdivision.

(b) For purposes of this subdivision, "supreme court" includes all agencies, committees, and commissions supervised or appointed by the state supreme court or the state court administrator.

Sec. 6. **[8.011] PERFORMANCE OF LEGAL SERVICES.**

(a) Except as otherwise provided by law, all legal services of the Office of the Attorney General shall be performed exclusively by:

(1) an employee of the office;

(2) an employee of another Minnesota governmental entity as may be provided by law; or

(3) an employee of a federal governmental entity pursuant to an agreement between the attorney general and the federal governmental entity.

Except as otherwise provided under this section, the sole source of compensation paid to employees of the Office of the Attorney General for performing legal services on behalf of the state shall be from the appropriations provided under this chapter or from an appropriation by law. In a case in which the attorney general is authorized under law to contract with, hire, or engage a person other than a person described in clauses (1), (2), or (3) to perform legal services on behalf of the state, the sole consideration for the legal services shall be a monetary amount bargained for in an arm's length transaction with the person and the attorney general or another Minnesota governmental entity, and must state under what authority the attorney general enters the contract.

(b) Only persons described in paragraph (a), clause (1), (2), or (3), shall perform legal services on premises leased by the attorney general.

(c) Nothing in this section prohibits the attorney general from entering into a settlement agreement with a defendant arising from a case litigated or prosecuted by a federal governmental entity, local governmental entity, or an attorney general's office in another state or a United States territory. Nothing in this section prohibits the attorney general from employing and providing office space to an unpaid intern assisting in performing legal services, provided that the intern does not possess a current license to practice law in Minnesota, any other state or commonwealth, or any United States territory.

Sec. 7. Minnesota Statutes 2020, section 13.64, subdivision 3, is amended to read:

Subd. 3. **Unofficial fiscal note.** (a) For purposes of this subdivision, "unofficial fiscal note" means a fiscal note requested by or on behalf of a member of the legislature on draft language for a bill that has not been introduced. Unofficial fiscal notes are public data unless a classification under paragraph (b) applies.

(b) This paragraph applies if a request for an unofficial fiscal note is accompanied by a directive from the requester that the data be classified under this ~~paragraph~~ subdivision. Government data on the request, the bill draft, and the unofficial fiscal note are private data on individuals or nonpublic data, ~~provided except~~ that the data are accessible to, and may be disclosed by, the requester. If the proposed bill draft used to develop the unofficial fiscal note or an updated version is subsequently used for an introduced bill, or any legislation, including an amendment or a proposed bill, that any member of the legislature offers for consideration by a legislative committee introduced as a bill, included in an introduced bill, offered as an amendment, or otherwise distributed by the requester at a public meeting or event, or if an unofficial fiscal note is distributed by the requester at a public meeting or event, the fiscal note becomes public data.

(c) An agency must not share data that is classified under this subdivision as nonpublic data or private data on individuals with another agency without authorization from the bill author, as obtained from the director of the Legislative Budget Office. This paragraph supersedes any authorization to share data with the commissioner of management and budget under section 15.08 or 16A.06, subdivision 7, or other applicable law.

Sec. 8. Minnesota Statutes 2020, section 13.64, subdivision 4, is amended to read:

Subd. 4. **Fiscal note data must be shared with Legislative Budget Office.** A head or chief administrative officer of a department or agency of the state government, including the supreme court, must provide data that are used to prepare a fiscal note or for the Legislative Budget Office to review the accuracy of fiscal notes on enacted legislation, including data that are not public data under this section to the director of the Legislative Budget Office upon the director's request and consistent with section 3.8853, subdivision 4, unless there are federal laws or regulations that prohibit the provision of the not public data for this purpose. The data must be supplied according to any standards and procedures adopted under section 3.8853, subdivision 3, including any standards and procedures governing timeliness. Notwithstanding section 13.05, subdivision 9, a responsible authority may not require the Legislative Budget Office to pay a cost for supplying data requested under this subdivision.

Sec. 9. **[14.1271] LEGISLATIVE APPROVAL OF RULES BY REFERENCE TO ANOTHER STATE.**

A proposed rule that includes or incorporates by reference a statute or rule of another state must be submitted to the standing committee of the house of representatives and standing committee of the senate with jurisdiction over the subject matter of the rule at least 90 days prior to the publication of the notice of intent to adopt the rule under section 14.22, subdivision 1a; 14.389, subdivision 2; or 14.3895, subdivision 3; publication of a dual notice under section 14.22, subdivision 2; or publication of a notice of hearing on a proposed rule under section 14.14. The proposed rule may

not be adopted until the rule is approved by a law enacted during the legislative session that began after or is meeting when the proposed rule is received.

Sec. 10. [15.0561] CONSUMER CHOICE OF FUEL; RESTRICTIONS PROHIBITED.

(a) A state agency may not adopt rules that:

(1) restrict consumer choice in purchasing motorized equipment based on the equipment's fuel source; or

(2) mandate retailer inventory of motorized equipment based on the equipment's fuel source.

(b) For purposes of this section, "motorized equipment" means:

(1) tools, including but not limited to generators, lawn mowers, pressure washers, chain saws, leaf blowers, and weed trimmers;

(2) recreational vehicles, including but not limited to golf carts, motorcycles, off-highway vehicles, snowmobiles, and watercraft;

(3) new or used passenger automobiles;

(4) farm equipment, as defined in section 325E.061; and

(5) medium and heavy duty trucks.

Sec. 11. Minnesota Statutes 2020, section 15A.0825, subdivision 1, is amended to read:

Subdivision 1. **Membership.** (a) The Legislative Salary Council consists of the following members:

(1) one person, who is not a judge, from each congressional district, appointed by the chief justice of the supreme court; and

(2) one person from each congressional district, appointed by the governor.

(b) If Minnesota has an odd number of congressional districts, the governor and the chief justice must each appoint an at-large member, in addition to a member from each congressional district.

(c) One-half of the members appointed by the governor and one-half of the members appointed by the chief justice must belong to the political party that has the most members in the legislature. One-half of the members appointed by the governor and one-half of the members appointed by the chief justice must belong to the political party that has the second most members in the legislature.

(d) None of the members of the council may be:

(1) a current or former legislator, or the spouse of a current legislator;

(2) a current or former lobbyist registered under Minnesota law;

(3) a current employee of the legislature;

(4) a current or former judge; ~~or~~

(5) a current or former governor, lieutenant governor, attorney general, secretary of state, or state auditor; or

(6) a current employee of an entity in the executive or judicial branch.

Sec. 12. Minnesota Statutes 2020, section 15A.0825, subdivision 2, is amended to read:

Subd. 2. **Initial appointment; convening authority; first meeting in odd-numbered year.** Appointing authorities must make their ~~initial~~ appointments ~~by January 2, 2017~~ after the first Monday in January and before January 15 in each odd-numbered year. The governor shall designate one member to convene and chair the first meeting of the council. The first meeting must be before ~~January 15, 2017~~ January 15, 2021 of that year. At its first meeting, the council must elect a chair from among its members. ~~Members that reside in an even-numbered congressional district serve a first term ending January 15, 2019. Members residing in an odd-numbered congressional district serve a first term ending January 15, 2021.~~

Sec. 13. Minnesota Statutes 2020, section 15A.0825, subdivision 3, is amended to read:

Subd. 3. **Terms.** (a) ~~Except for initial terms and~~ for the first term following redistricting, a term is four years or until new appointments are made after congressional redistricting as provided in subdivision 4. Members may serve no more than two full terms or portions of two consecutive terms.

(b) If a member ceases to reside in the congressional district that the member resided in at the time of appointment as a result of moving or redistricting, the appointing authority who appointed the member must appoint a replacement who resides in the congressional district to serve the unexpired term.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 14. Minnesota Statutes 2020, section 16B.32, subdivision 1a, is amended to read:

Subd. 1a. **Onsite energy generation from renewable sources.** A state agency that prepares a predesign for a new building must consider meeting at least two percent of the energy needs of the building from renewable sources ~~located on the building site.~~ For purposes of this subdivision, "renewable sources" are limited to wind and the sun. ~~The predesign must include an explicit cost and price analysis of complying with the two-percent requirement compared with the present and future costs of energy supplied by a public utility from a location away from the building site and the present and future costs of controlling carbon emissions. If the analysis concludes that the building should not meet at least two percent of its energy needs from renewable sources located on the building site, the analysis must provide explicit reasons why not.~~ The building may not receive further state appropriations for design or construction unless at least two percent of its energy needs are designed to be met from renewable sources, unless the commissioner finds that the reasons given by the agency for not meeting the two-percent requirement were supported by evidence in the record.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any new building project for which the predesign work is completed after the day of enactment.

Sec. 15. Minnesota Statutes 2020, section 16B.325, subdivision 1, is amended to read:

Subdivision 1. **Development of sustainable building guidelines.** The Department of Administration and the Department of Commerce, with the assistance of other agencies, shall develop sustainable building design guidelines for all new state buildings by January 15, 2003, and for all major renovations of state buildings by February 1, 2009. The primary objectives of these guidelines are to ensure that all new state buildings, and major renovations of state buildings, initially exceed the state energy code, as established in Minnesota Rules, chapter 7676, by at least 30 percent. The guidelines shall not require that renewable energy sources be located on the building site.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any new building project for which the predesign work is completed after the day of enactment.

Sec. 16. **[16B.971] GRANTS TO NONPROFIT ORGANIZATIONS.**

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

(b) "Certified financial audit" means a review of an organization's financial statements, fiscal policies, and control procedures by an independent third party to determine if the statements fairly represent the organization's financial position and if organizational procedures are in accordance with generally accepted accounting principles.

(c) "Fiscal agent" means the commissioner or head of the state agency responsible for administering a grant.

(d) "Grant" means a grant of state money from any source.

(e) "Organization" means a nongovernmental organization that is tax exempt under the Internal Revenue Code.

Subd. 2. **Requirements for eligibility.** (a) For an organization to be eligible to receive a grant, the organization must meet the following criteria:

(1) the organization must submit to the fiscal agent the relevant series Internal Revenue Service Form 990 in each of the two years preceding the execution of a grant agreement;

(2) the organization must not compensate an officer or employee in an amount greater than the governor's annual compensation in a 12-month period during the first fiscal year beginning, during, or after the 12-month period or in the following fiscal year. Compensation for purposes of this section includes salary, bonuses, the present value of stock options, the value of employment benefits, employer contributions to retirement or deferred compensation plans on behalf of the officer or employee, and any other compensation or benefit of value; and

(3) the organization must not have on its governing board a voting member who is:

(i) an employee of a state agency; or

(ii) an official elected to serve in a state, county, or local government office.

Subd. 3. **Additional eligibility requirements for certain nonprofit organizations.** For an organization that received more than 50 percent of revenue from state funds in the fiscal year preceding the organization's grant application to be eligible to receive a grant, the organization must meet the following criteria:

(1) the organization must submit to the fiscal agent certified financial audits of the most recent two fiscal years preceding the grant application; and

(2) officers and members of the governing board of the organization must not have been convicted of any offense involving theft, fraud, embezzlement, or other misuse or misappropriation of funds or property. The commissioner of administration must conduct background checks on officers and members of the governing body of the organization before an agency may enter into a grant agreement with the organization.

Subd. 4. **Notice to legislature of ineligibility.** If a grant has been awarded by law to a specified organization that the commissioner determines is ineligible to receive the grant under subdivision 2 or 3, the commissioner must promptly report that determination to the chair of the committee on finance in the senate and the chair of the committee on ways and means in the house of representatives.

Subd. 5. **Grant application.** (a) A fiscal agent administering a grant program must require the following information as part of a grant application:

(1) the purpose of the grant, including goals, priorities, and measurable outcomes;

(2) eligibility requirements for individuals who will be served by the grant program;

(3) the proposed geographic service areas for individuals served by the grant;

(4) the reporting requirements; and

(5) certification that the applicant is eligible under subdivisions 2 and 3 to receive a grant.

These requirements are in addition to any requirements under existing laws and policies.

(b) An organization that is specifically identified in law to receive a grant must provide the information in paragraph (a) to the commissioner of the fiscal agent for the grant before the commissioner may execute the grant agreement.

Subd. 6. **Reporting on use of funds.** (a) Organizations must provide the following information to the fiscal agent:

(1) a detailed accounting of the use of any grant proceeds;

(2) a description of program outcomes to date, including performance measured against indicators specified in the grant agreement, including but not limited to job creation, employment activity, wage information, business formation or expansion, and academic performance; and

(3) the portion of the grant, if any, spent on the recipient's operating expenses.

Grant recipients must report the information required under this paragraph to the fiscal agent within one year after receiving any portion of the grant, and annually thereafter, and within 30 days following the use of all funds provided under the grant.

(b) The fiscal agent for a grant to an organization must submit a report containing the information provided by the grant recipients to the chairs and ranking minority members of the legislative committees and budget divisions with jurisdiction over the agency serving as fiscal agent for the grant. The report submitted under this section must also include the commissioner's summary of the use of grant proceeds and an analysis of the grant recipients' success in meeting the goals, priorities, and measurable outcomes specified for the grant. An updated version of this report must be submitted on January 15 of each succeeding year until January 15 in the year following the date when all of the grant funds have been spent.

Subd. 7. **Notice to legislature of fraud or abuse claims.** If the commissioner of administration or the Department of Administration Office of Grants Management receives a comment or concern about fraud or waste for a grant made by law to a specified organization, the commissioner must promptly report the comment or concern to the chair of the committee on finance in the senate and the chair of the committee on ways and means in the house of representatives.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to grants appropriated by law after the effective date and to grant agreements executed after the effective date.

Sec. 17. Minnesota Statutes 2020, section 16B.98, subdivision 8, is amended to read:

Subd. 8. **Audit.** (a) A grant agreement made by an executive agency must include an audit clause that provides:

(1) that the books, records, documents, and accounting procedures and practices of the grantee receiving a grant of more than \$500,000 are subject to examination by the granting agency and either the legislative auditor or the state auditor, as appropriate, for a period of two years prior to the execution of the grant agreement for a grant and during the term of the grant agreement; and

(2) that the books, records, documents, and accounting procedures and practices of the grantee or other party that are relevant to the grant or transaction are subject to examination by the granting agency and either the legislative auditor or the state auditor, as appropriate, for a minimum of six years from the grant agreement end date, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later. If a grant agreement does not include an express audit clause, the audit authority under this subdivision is implied.

(b) If a grant agreement does not include an express audit clause, the audit authority under this subdivision is implied.

~~(b)~~ (c) If the granting agency is a local unit of government, and the governing body of the local unit of government requests that the state auditor examine the books, records, documents, and accounting procedures and practices of the grantee or other party according to this subdivision, the granting agency shall be liable for the cost of the examination. If the granting agency is a local unit of government, and the grantee or other party requests that the state auditor examine all books,

records, documents, and accounting procedures and practices related to the grant, the grantee or other party that requested the examination shall be liable for the cost of the examination.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to grants appropriated by law after the effective date and to grant agreements executed after the effective date.

Sec. 18. Minnesota Statutes 2020, section 116.07, subdivision 2, is amended to read:

Subd. 2. **Adopting standards.** (a) The Pollution Control Agency shall improve air quality by promoting, in the most practicable way possible, the use of energy sources and waste disposal methods which produce or emit the least air contaminants consistent with the agency's overall goal of reducing all forms of pollution. The agency shall also adopt standards of air quality, not including maximum allowable standards of emission of air contaminants from motor vehicles, recognizing that due to variable factors, no single standard of purity of air is applicable to all areas of the state. In adopting standards the Pollution Control Agency shall give due recognition to the fact that the quantity or characteristics of air contaminants or the duration of their presence in the atmosphere, which may cause air pollution in one area of the state, may cause less or not cause any air pollution in another area of the state, and it shall take into consideration in this connection such factors, including others which it may deem proper, as existing physical conditions, zoning classifications, topography, prevailing wind directions and velocities, and the fact that a standard of air quality which may be proper as to an essentially residential area of the state, may not be proper as to a highly developed industrial area of the state. Such standards of air quality shall be premised upon scientific knowledge of causes as well as effects based on technically substantiated criteria and commonly accepted practices. No local government unit shall set standards of air quality which are more stringent than those set by the Pollution Control Agency.

(b) The Pollution Control Agency shall promote solid waste disposal control by encouraging the updating of collection systems, elimination of open dumps, and improvements in incinerator practices. The agency shall also adopt standards for the control of the collection, transportation, storage, processing, and disposal of solid waste and sewage sludge for the prevention and abatement of water, air, and land pollution, recognizing that due to variable factors, no single standard of control is applicable to all areas of the state. In adopting standards, the Pollution Control Agency shall give due recognition to the fact that elements of control which may be reasonable and proper in densely populated areas of the state may be unreasonable and improper in sparsely populated or remote areas of the state, and it shall take into consideration in this connection such factors, including others which it may deem proper, as existing physical conditions, topography, soils and geology, climate, transportation, and land use. Such standards of control shall be premised on technical criteria and commonly accepted practices.

(c) The Pollution Control Agency shall also adopt standards describing the maximum levels of noise in terms of sound pressure level which may occur in the outdoor atmosphere, recognizing that due to variable factors no single standard of sound pressure is applicable to all areas of the state. Such standards shall give due consideration to such factors as the intensity of noises, the types of noises, the frequency with which noises recur, the time period for which noises continue, the times of day during which noises occur, and such other factors as could affect the extent to which noises may be injurious to human health or welfare, animal or plant life, or property, or could interfere unreasonably with the enjoyment of life or property. In adopting standards, the Pollution Control

Agency shall give due recognition to the fact that the quantity or characteristics of noise or the duration of its presence in the outdoor atmosphere, which may cause noise pollution in one area of the state, may cause less or not cause any noise pollution in another area of the state, and it shall take into consideration in this connection such factors, including others which it may deem proper, as existing physical conditions, zoning classifications, topography, meteorological conditions and the fact that a standard which may be proper in an essentially residential area of the state, may not be proper as to a highly developed industrial area of the state. Such noise standards shall be premised upon scientific knowledge as well as effects based on technically substantiated criteria and commonly accepted practices. No local governing unit shall set standards describing the maximum levels of sound pressure which are more stringent than those set by the Pollution Control Agency.

(d) The Pollution Control Agency shall adopt standards for the identification of hazardous waste and for the management, identification, labeling, classification, storage, collection, transportation, processing, and disposal of hazardous waste, recognizing that due to variable factors, a single standard of hazardous waste control may not be applicable to all areas of the state. In adopting standards, the Pollution Control Agency shall recognize that elements of control which may be reasonable and proper in densely populated areas of the state may be unreasonable and improper in sparsely populated or remote areas of the state. The agency shall consider existing physical conditions, topography, soils, and geology, climate, transportation and land use. Standards of hazardous waste control shall be premised on technical knowledge, and commonly accepted practices. Hazardous waste generator licenses may be issued for a term not to exceed five years. No local government unit shall set standards of hazardous waste control which are in conflict or inconsistent with those set by the Pollution Control Agency.

(e) A person who generates less than 100 kilograms of hazardous waste per month is exempt from the following agency hazardous waste rules:

(1) rules relating to transportation, manifesting, storage, and labeling for photographic fixer and x-ray negative wastes that are hazardous solely because of silver content; and

(2) any rule requiring the generator to send to the agency or commissioner a copy of each manifest for the transportation of hazardous waste for off-site treatment, storage, or disposal, except that counties within the metropolitan area may require generators to provide manifests.

Nothing in this paragraph exempts the generator from the agency's rules relating to on-site accumulation or outdoor storage. A political subdivision or other local unit of government may not adopt management requirements that are more restrictive than this paragraph.

(f) In any rulemaking proceeding under chapter 14 to adopt standards for air quality, solid waste, or hazardous waste under this chapter, or standards for water quality under chapter 115, the statement of need and reasonableness must include:

(1) an assessment of any differences between the proposed rule and:

(i) existing federal standards adopted under the Clean Air Act, United States Code, title 42, section 7412(b)(2); the Clean Water Act, United States Code, title 33, sections 1312(a) and 1313(c)(4); and the Resource Conservation and Recovery Act, United States Code, title 42, section 6921(b)(1);

(ii) similar standards in states bordering Minnesota; and

- (iii) similar standards in states within the Environmental Protection Agency Region 5; and
- (2) a specific analysis of the need and reasonableness of each difference.

Sec. 19. Minnesota Statutes 2020, section 116.07, is amended by adding a subdivision to read:

Subd. 13. Unadopted rules. The commissioner of the Pollution Control Agency must not enforce or attempt to enforce an unadopted rule. For purposes of this subdivision, "unadopted rule" means a guideline, bulletin, criterion, manual standard, interpretive statement, policy plan, or similar pronouncement if the guideline, bulletin, criterion, manual standard, interpretive statement, policy plan, or similar pronouncement has not been adopted according to the rulemaking process provided under chapter 14. If an unadopted rule is challenged under section 14.381, the commissioner must cease enforcement of the unadopted rule and overcome a presumption that the unadopted rule must be adopted according to the rulemaking process provided under chapter 14.

Sec. 20. Minnesota Statutes 2020, section 118A.09, subdivision 1, is amended to read:

Subdivision 1. **Definition; qualifying government.** "Qualifying government" means:

- (1) a county or statutory or home rule charter city with a population of more than 100,000;
- (2) a county or statutory or home rule charter city ~~which had its most recently issued general obligation bonds rated in the highest category by a national bond rating agency whose most recent long-term, senior, general obligation rating by one or more national rating organizations in the prior 18-month period is AA or higher; or~~
- (3) a self-insurance pool listed in section 471.982, subdivision 3.

A county or statutory or home rule charter city with a population of 100,000 or less that is a qualifying government, but ~~is subsequently rated less than the highest category by a national bond rating agency on a general obligation bond issue~~ does not meet the threshold under clause (2), may not invest additional funds under this section but may continue to manage funds previously invested under subdivision 2.

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

Sec. 21. Minnesota Statutes 2020, section 118A.09, subdivision 2, is amended to read:

Subd. 2. **Additional investment authority.** Qualifying governments may invest the amount described in subdivision 3:

- (1) in index mutual funds based in the United States and indexed to a broad market United States equity index, on the condition that index mutual fund investments must be made directly with the main sales office of the fund; or
- (2) with the Minnesota State Board of Investment subject to such terms and minimum amounts as may be adopted by the board. ~~Index mutual fund investments must be made directly with the main sales office of the fund.~~

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

Sec. 22. **[118A.10] SELF-INSURANCE POOLS; ADDITIONAL INVESTMENT AUTHORITY.**

Subdivision 1. **Definition.** For the purposes of this section, "qualifying government" means a self-insurance pool formed under section 471.982.

Subd. 2. **Additional investment authority.** A qualifying government may invest in the securities specified in section 11A.24.

Subd. 3. **Approval.** Before investing pursuant to this section, the governing body of a qualifying government must adopt an investment policy pursuant to a resolution that includes both of the following statements:

- (1) the governing body understands that investments under this section have a risk of loss; and
- (2) the governing body understands the type of funds that are being invested and the specific investment itself.

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

Sec. 23. Minnesota Statutes 2020, section 136F.02, subdivision 1, is amended to read:

Subdivision 1. **Membership.** The board consists of 15 members appointed by the governor, including three members who are students who have attended an institution for at least one year and are enrolled at the time of appointment at least half time in a degree, diploma, or certificate program in an institution governed by the board. The student members shall include one member from a community college, one member from a state university, and one member from a technical college. One member representing labor must be appointed after considering the recommendations made under section 136F.045. The governor is not bound by the recommendations. Appointments to the board are with the advice and consent of the senate. At least one member of the board must be a resident of each congressional district. All other members must be appointed to represent the state at large. In selecting appointees, the governor must consider the needs of the board and the balance of the board membership with respect to labor and business representation ~~and~~; racial, gender, geographic, and ethnic composition; and occupation and experience. In selecting appointees, the governor must consider the needs of the board for skills relevant to the governance of the Minnesota State Colleges and Universities and the candidate's ability to discharge the responsibilities of the board.

A commissioner of a state agency may not serve as a member of the board.

Sec. 24. Minnesota Statutes 2020, section 155A.20, is amended to read:

155A.20 BOARD OF COSMETOLOGIST EXAMINERS CREATED; TERMS.

(a) A Board of Cosmetologist Examiners is established to consist of ~~seven~~ 11 members, appointed by the governor as follows:

- (1) two cosmetologists, one of whom is recommended by a professional association of cosmetologists, nail technicians, and estheticians;

(2) two school instructors, one of whom is teaching at a public cosmetology school in the state and one of whom is teaching at a private cosmetology school in the state;

(3) one esthetician;

(4) one advanced practice esthetician;

~~(4)~~ (5) one nail technician; and

(6) one hair technician; and

~~(5)~~ (7) three public member members, as defined in section 214.02.

(b) All cosmetologist, esthetician, advanced practice esthetician, hair technician, and nail technician members must be currently licensed in the field of cosmetology, advanced practice esthiology, hair technology, nail technology, or esthetology, esthiology in Minnesota, have practiced in the licensed occupation for at least five years immediately prior to their appointment, ~~be graduates from grade 12 of high school or have equivalent education,~~ and have knowledge of sections 155A.21 to 155A.36 and Minnesota Rules, chapters 2105 and 2110.

(c) Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements shall be as provided in sections 214.07 to 214.09. The provision of staff, administrative services, and office space; the review and processing of complaints; the setting of board fees; and other provisions relating to board operations shall be as provided in chapter 214.

(d) Members appointed to fill vacancies caused by death, resignation, or removal shall serve during the unexpired term of their predecessors.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 25. Minnesota Statutes 2020, section 155A.23, subdivision 8, is amended to read:

Subd. 8. **Manager.** A "manager" is any person who is a cosmetologist, esthetician, advanced practice esthetician, hair technician, nail technician ~~practitioner,~~ or eyelash technician ~~practitioner,~~ and who has a manager license and provides any services under that license, as defined in subdivision 3.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 26. Minnesota Statutes 2020, section 155A.23, subdivision 11, is amended to read:

Subd. 11. **Instructor.** An "instructor" is any person employed by a school to prepare and present the theoretical and practical education of cosmetology to persons who seek to practice cosmetology. ~~An instructor must maintain an active operator or manager's license in the area in which the instructor holds an instructor's license.~~ While an instructor holds an active instructor license, the instructor's license as an operator or a salon manager in the same field is automatically renewed without fees with a term ending when the instructor license expires.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 27. Minnesota Statutes 2020, section 155A.23, subdivision 18, is amended to read:

Subd. 18. **Practitioner.** A "practitioner" is any person licensed as an operator or manager in the practice of cosmetology, esthology, advanced practice esthology, hair technology services, nail technology services, or eyelash technology services.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 28. Minnesota Statutes 2020, section 155A.23, is amended by adding a subdivision to read:

Subd. 21. **Hair technician.** A "hair technician" is any person who, for compensation, performs personal services for the cosmetic care of hair on the scalp. Hair technician services include cutting hair and the application of dyes, bleach, reactive chemicals, keratin, or other preparations to color or alter the structure of hair. A person who only performs hairstyling as defined by subdivision 19 is not a hair technician.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 29. Minnesota Statutes 2020, section 155A.25, subdivision 1a, is amended to read:

Subd. 1a. **Schedule.** (a) The schedule for fees and penalties is as provided in this subdivision.

(b) ~~Three-year~~ Four-year license fees are as follows:

(1) \$195 initial practitioner, manager, or instructor license, divided as follows:

(i) \$155 for each initial license; and

(ii) \$40 for each initial license application fee;

(2) \$115 renewal of practitioner license, divided as follows:

(i) \$100 for each renewal license; and

(ii) \$15 for each renewal application fee;

(3) \$145 renewal of manager or instructor license, divided as follows:

(i) \$130 for each renewal license; and

(ii) \$15 for each renewal application fee;

(4) \$350 initial salon license, divided as follows:

(i) \$250 for each initial license; and

(ii) \$100 for each initial license application fee;

(5) \$225 renewal of salon license, divided as follows:

(i) \$175 for each renewal; and

- (ii) \$50 for each renewal application fee;
- (6) \$4,000 initial school license, divided as follows:
 - (i) \$3,000 for each initial license; and
 - (ii) \$1,000 for each initial license application fee; and
- (7) \$2,500 renewal of school license, divided as follows:
 - (i) \$2,000 for each renewal; and
 - (ii) \$500 for each renewal application fee.
- (c) Penalties may be assessed in amounts up to the following:
 - (1) reinspection fee, \$150;
 - (2) manager and owner with expired practitioner found on inspection, \$150 each;
 - (3) expired practitioner or instructor found on inspection, \$200;
 - (4) expired salon found on inspection, \$500;
 - (5) expired school found on inspection, \$1,000;
 - (6) failure to display current license, \$100;
 - (7) failure to dispose of single-use equipment, implements, or materials as provided under section 155A.355, subdivision 1, \$500;
 - (8) use of prohibited razor-type callus shavers, rasps, or graters under section 155A.355, subdivision 2, \$500;
 - (9) performing nail or cosmetology services in esthetician salon, or performing esthetician or cosmetology services in a nail salon, \$500;
 - (10) owner and manager allowing an operator to work as an independent contractor, \$200;
 - (11) operator working as an independent contractor, \$100;
 - (12) refusal or failure to cooperate with an inspection, \$500;
 - (13) practitioner late renewal fee, \$45; and
 - (14) salon or school late renewal fee, \$50.
- (d) Administrative fees are as follows:
 - (1) homebound service permit, \$50 ~~three-year~~ four-year fee;
 - (2) name change, \$20;

(3) certification of licensure, \$30 each;

(4) duplicate license, \$20;

(5) special event permit, \$75 per year;

~~(6) \$100 for each temporary military license for a cosmetologist, nail technician, esthetician, or advanced practice esthetician one-year fee;~~

~~(7)~~ (6) expedited initial individual license, \$150;

~~(8)~~ (7) expedited initial salon license, \$300;

~~(9)~~ (8) instructor continuing education provider approval, \$150 each year; and

~~(10)~~ (9) practitioner continuing education provider approval, \$150 each year.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to licenses issued or renewed on or after that date.

Sec. 30. Minnesota Statutes 2020, section 155A.27, subdivision 1, is amended to read:

Subdivision 1. **Licensing.** A person must hold an individual license to practice in the state as a cosmetologist, esthetician, hair technician, nail technician, eyelash technician, advanced practice esthetician, manager, or instructor.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 31. Minnesota Statutes 2020, section 155A.27, subdivision 5a, is amended to read:

Subd. 5a. **Temporary military license.** The board shall establish temporary licenses for a cosmetologist, hair technician, nail technician, and esthetician in accordance with section 197.4552. A temporary license is valid for a four-year license cycle. The board may only issue one temporary license to an applicant.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to licenses issued or renewed on or after that date.

Sec. 32. Minnesota Statutes 2020, section 155A.27, subdivision 6, is amended to read:

Subd. 6. **Duration of license.** Licensing in each classification shall be for a period of ~~three~~ four years. The board may extend a licensee's operator or salon manager license when issuing a new instructor license to the licensee so that the operator or salon manager license expires on the same date as the instructor license.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to licenses issued or renewed on or after that date.

Sec. 33. Minnesota Statutes 2020, section 155A.27, subdivision 7, is amended to read:

Subd. 7. **Renewals.** Renewal of license shall be for a period of ~~three~~ four years under the conditions and process established by rule and subject to continuing education requirements of section 155A.271.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to licenses issued or renewed on or after that date.

Sec. 34. Minnesota Statutes 2020, section 155A.27, subdivision 10, is amended to read:

Subd. 10. **Nonresident licenses.** (a) A nonresident cosmetologist, hair technician, nail technician, ~~or esthetician, or eyelash technician~~ may be licensed in Minnesota if the individual has completed cosmetology school in a state or country with the same or greater school hour requirements, has an active license in that state or country, and has passed a board-approved theory and practice-based examination, the Minnesota-specific written operator examination for cosmetologist, hair technician, nail technician, ~~or esthetician, or eyelash technician~~. If a test is used to verify the qualifications of trained cosmetologists, the test should be translated into the nonresident's native language within the limits of available resources. Licenses shall not be issued under this subdivision for managers or instructors.

(b) If an individual has less than the required number of school hours, the individual must have had a current active license in another state or country for at least ~~three~~ four years and have passed a board-approved theory and practice-based examination, and the Minnesota-specific written operator examination for cosmetologist, hair technician, nail technician, ~~or esthetician, or eyelash technician~~. If a test is used to verify the qualifications of trained cosmetologists, the test should be translated into the nonresident's native language within the limits of available resources. Licenses must not be issued under this subdivision for managers or instructors.

(c) Applicants claiming training and experience in a foreign country shall supply official English-language translations of all required documents from a board-approved source.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to licenses issued or renewed on or after that date.

Sec. 35. Minnesota Statutes 2020, section 155A.27, is amended by adding a subdivision to read:

Subd. 11. **Reciprocity for barbers.** A barber who has a currently active registration under Minnesota Statutes, chapter 154, may be granted credit, as determined by rule, toward the required hours of study required for licensure in cosmetology or hair technology.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 36. Minnesota Statutes 2020, section 155A.271, subdivision 1, is amended to read:

Subdivision 1. **Continuing education requirements.** (a) To qualify for license renewal under this chapter as an individual cosmetologist, hair technician, nail technician, esthetician, advanced practice esthetician, eyelash technician, or salon manager, the applicant must complete four hours of continuing education credits from a board-approved continuing education provider during the ~~three~~ four years prior to the applicant's renewal date. One credit hour of the requirement must include instruction pertaining to state laws and rules governing the practice of cosmetology. Three credit

hours must include instruction pertaining to health, safety, and infection control matters consistent with the United States Department of Labor's Occupational Safety and Health Administration standards applicable to the practice of cosmetology, or other applicable federal health, infection control, and safety standards, and must be regularly updated so as to incorporate newly developed standards and accepted professional best practices. Credit hours earned are valid for ~~three~~ four years and may be applied simultaneously to all individual licenses held by a licensee under this chapter.

(b) ~~Effective August 1, 2017,~~ In addition to the hours of continuing education credits required under paragraph (a), to qualify for license renewal under this chapter as an individual cosmetologist, hair technician, nail technician, esthetician, advanced practice esthetician, or salon manager, the applicant must also complete a four credit hour continuing education course from a board-approved continuing education provider based on any of the following within the licensee's scope of practice:

- (1) product chemistry and chemical interaction;
- (2) proper use and maintenance of machines and instruments;
- (3) business management, professional ethics, and human relations; or
- (4) techniques relevant to the type of license held.

Credits are valid for ~~three~~ four years and must be completed with a board-approved provider of continuing education during the ~~three~~ four years prior to the applicant's renewal date and may be applied simultaneously to other individual licenses held as applicable, except that credits completed under this paragraph must not duplicate credits completed under paragraph (a).

(c) Paragraphs (a) and (b) do not apply to an instructor license, a school manager license, or an inactive license.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to licenses issued or renewed on or after that date.

Sec. 37. Minnesota Statutes 2020, section 155A.29, subdivision 1, is amended to read:

Subdivision 1. **Licensing.** A person must not offer cosmetology services for compensation unless the services are provided by a licensee in a licensed salon or as otherwise provided in this section. ~~Each salon must be licensed as a cosmetology salon, a nail salon, esthetician salon, advanced practice esthetician salon, or eyelash extension salon. A salon may hold more than one type of salon license.~~

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 38. Minnesota Statutes 2020, section 155A.29, subdivision 4, is amended to read:

Subd. 4. **Renewal.** Licenses shall be renewed every ~~three~~ four years by a process established by rule.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to licenses issued or renewed on or after that date.

Sec. 39. Minnesota Statutes 2020, section 155A.30, subdivision 2, is amended to read:

Subd. 2. **Standards.** 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, hair technician, esthetician, ~~and~~ advanced practice esthetician, nail technician, and eyelash technician.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 40. Minnesota Statutes 2020, section 155A.30, subdivision 3, is amended to read:

Subd. 3. **Applications.** Application for a license shall be prepared on forms furnished by the board and shall contain the following and such other information as may be required:

(1) the name of the school, together with ownership and controlling officers, members, and managing employees;

(2) the specific fields of instruction which will be offered and reconciliation of the course content and length to meet the minimum standards, as prescribed in subdivision 2;

(3) the place or places where instruction will be given;

(4) a listing of the equipment available for instruction in each course offered;

(5) the maximum enrollment to be accommodated;

(6) a listing of instructors, all of whom shall be licensed as provided in section 155A.27, subdivision 2, except that any school may use occasional instructors or lecturers who would add to the general or specialized knowledge of the students but who need not be licensed;

(7) a current balance sheet, income statement or documentation to show sufficient financial worth and responsibility to properly conduct a school and to assure financial resources ample to meet the school's financial obligations;

(8) other financial guarantees which would assure protection of the public as determined by rule; and

(9) ~~a copy of all written material which the school uses to solicit prospective students, including but not limited to a tuition and fee schedule, and all catalogues, brochures and other recruitment advertisements. Each school shall annually, on a date determined by the board, file with the board any new or amended materials which it has distributed during the past year.~~ written materials that the school will use for prospective student enrollment, including the enrollment contract, student handbook, and tuition and fee information.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 41. Minnesota Statutes 2020, section 155A.30, subdivision 4, is amended to read:

Subd. 4. **Verification of application.** Each application shall be signed and certified to under oath by ~~the proprietor if the applicant is a proprietorship, by the managing partner if the applicant~~

is a partnership, or by the authorized officers of the applicant if the applicant is a corporation, association, company, firm, society or trust. the school administrator. For purposes of this section, "school administrator" means the proprietor, if the applicant is a proprietorship; the managing partner, if the applicant is a partnership; the authorized officers, if the applicant is a corporation, association, company, firm, society, or trust; or, the dean, principal, or other authorized signatory, if the applicant is a school in the Minnesota State Colleges and Universities system or a secondary school.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 42. Minnesota Statutes 2020, section 155A.30, subdivision 6, is amended to read:

Subd. 6. **Fees; renewals.** (a) Applications for initial license under sections 155A.21 to 155A.36 shall be accompanied by a nonrefundable application fee set forth in section 155A.25.

(b) License duration shall be ~~three~~ four years. Each renewal application shall be accompanied by a nonrefundable renewal fee set forth in section 155A.25.

(c) Application for renewal of license shall be made as provided in rules adopted by the board and on forms supplied by the board.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to licenses issued or renewed on or after that date.

Sec. 43. Minnesota Statutes 2020, section 155A.30, subdivision 11, is amended to read:

Subd. 11. **Instruction requirements.** (a) Instruction may be offered for no more than ten hours per day per student.

(b) Instruction must be given within a licensed school building except as provided for in paragraph (c). ~~Online instruction is permitted for board-approved theory-based classes.~~ Instruction may be given online for theory-based portions of a board-approved curriculum. Practice-based classes portions of a board-approved curriculum must not be given online.

(c) Schools may offer field trips outside of a licensed school building if the field trips are related to the course curriculum for industry educational purposes.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 44. Minnesota Statutes 2020, section 161.1419, subdivision 2, is amended to read:

Subd. 2. **Members.** (a) The commission shall be composed of 15 members of whom:

- (1) one shall be appointed by the commissioner of transportation;
- (2) one shall be appointed by the commissioner of natural resources;
- (3) one shall be appointed by the director of Explore Minnesota Tourism;
- (4) one shall be appointed by the commissioner of agriculture;

(5) one shall be appointed by the director of the Minnesota ~~Historical Society~~ State Historic Preservation Office;

(6) two shall be members of the senate to be appointed by the Committee on Committees;

(7) two shall be members of the house of representatives to be appointed by the speaker;

(8) one shall be the secretary appointed pursuant to subdivision 3; and

(9) five shall be citizen members appointed to staggered four-year terms by the members appointed under clauses (1) to (8) after receiving recommendations from five citizen committees established by the members appointed under clauses (1) to (8), with each citizen committee established within and representing each of the following geographic segments along the Mississippi River:

(i) Lake Itasca to but not including the city of Grand Rapids;

(ii) Grand Rapids to but not including the city of Brainerd;

(iii) Brainerd to but not including the city of Elk River;

(iv) Elk River to but not including the city of Hastings; and

(v) Hastings to the Iowa border.

Each citizen ~~committee~~ member shall be a resident of the geographic segment that the ~~committee~~ ~~and~~ member represents.

(b) The members of the commission appointed in paragraph (a), clauses (1) to (8), shall serve for a term expiring at the close of each regular session of the legislature and until their successors are appointed.

(c) Successor members shall be appointed by the same appointing authorities. Members may be reappointed. Any vacancy shall be filled by the appointing authority. The commissioner of transportation, the commissioner of natural resources, and the director of the Minnesota Historical Society shall be ex officio members, and shall be in addition to the 15 members heretofore provided for. Immediately upon making the appointments to the commission the appointing authorities shall so notify the Mississippi River Parkway Commission, hereinafter called the National Commission, giving the names and addresses of the members so appointed.

Sec. 45. Minnesota Statutes 2021 Supplement, 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 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.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 46. Minnesota Statutes 2020, section 299E.04, subdivision 5, is amended to read:

Subd. 5. **Expiration.** The advisory committee on Capitol Area Security expires June 30, ~~2022~~ 2036.

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

Sec. 47. Minnesota Statutes 2020, section 326A.09, is amended to read:

326A.09 REINSTATEMENT.

The board may reinstate a suspended, revoked, expired, or surrendered certificate, registration, or permit or suspended, revoked, expired, or surrendered practice privileges upon petition of the person or firm holding or formerly holding the registration, permit, or certificate, or practice privileges. The board may, in its sole discretion, require that the person or firm submit to the board evidence of having obtained up to 120 hours of continuing professional education credits that would have been required had the person or firm held a registration, certificate, permit, or practice privileges continuously. The board may, in its sole discretion, place any other conditions upon reinstatement of a suspended, revoked, expired, or surrendered certificate, permit, registration, or of practice privileges that it finds appropriate and necessary to ensure that the purposes of this chapter are met. No suspended certificate, registration, permit, or practice privileges may be reinstated until the former holder, or person with practice privileges has completed one-half of the suspension.

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

Sec. 48. Minnesota Statutes 2020, section 349.151, subdivision 4d, is amended to read:

Subd. 4d. **Electronic pull-tab devices and electronic pull-tab game system.** (a) The board may adopt rules it deems necessary to ensure the integrity of electronic pull-tab devices, the electronic pull-tab games played on the devices, and the electronic pull-tab game system necessary to operate them.

(b) The board may not require an organization to use electronic pull-tab devices.

(c) Before authorizing the lease or sale of electronic pull-tab devices and the electronic pull-tab game system, the board shall examine electronic pull-tab devices allowed under section 349.12, subdivision 12b. The board may contract for the examination of the game system and electronic pull-tab devices and may require a working model to be transported to locations the board designates

for testing, examination, and analysis. The manufacturer must pay all costs of any testing, examination, analysis, and transportation of the model. The system must be approved by the board before its use in the state and must have the capability to permit the board to electronically monitor its operation and internal accounting systems.

(d) The board may require a manufacturer to submit a certificate from an independent testing laboratory approved by the board to perform testing services, stating that the equipment has been tested, analyzed, and meets the standards required in this chapter and any applicable board rules.

(e) The board, or the director if authorized by the board, may require the deactivation of an electronic pull-tab device for violation of a law or rule and to implement any other controls deemed necessary to ensure and maintain the integrity of electronic pull-tab devices and the electronic pull-tab games played on the devices.

(f) The board may not deactivate or prohibit the use, lease, or sale of an authorized or approved electronic pull-tab device, electronic pull-tab game, or electronic pull-tab game system provided the electronic pull-tab device, electronic pull-tab game, or electronic pull-tab game system continues to meet the standards required in this chapter and any applicable board rules that were in effect at the time of approval or authorization unless a later enacted law, passed by the legislature and signed by the governor, requires that an electronic pull-tab device, electronic pull-tab game, or electronic pull-tab game system comply with rules adopted after the date of approval or authorization.

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

Sec. 49. Minnesota Statutes 2020, section 349.1721, subdivision 1, is amended to read:

Subdivision 1. **Cumulative or carryover games.** The board shall by rule permit pull-tab games with multiple seals. The board shall also adopt rules for pull-tab games with cumulative or carryover prizes. The rules shall also apply to electronic pull-tab games. Electronic pull-tab games are subject to the rules in effect at the time the electronic pull-tab game was approved or authorized unless a later enacted law, passed by the legislature and signed by the governor, requires that an electronic pull-tab game comply with rules adopted after the date of approval or authorization.

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

Sec. 50. Minnesota Statutes 2020, section 349.1721, subdivision 2, is amended to read:

Subd. 2. **Event games.** The board shall by rule permit pull-tab games in which certain winners are determined by the random selection of one or more bingo numbers or by another method approved by the board. The rules shall also apply to electronic pull-tab games. Electronic pull-tab games are subject to the rules in effect at the time the electronic pull-tab game was approved or authorized unless a later enacted law, passed by the legislature and signed by the governor, requires that an electronic pull-tab game comply with rules adopted after the date of approval or authorization.

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

Sec. 51. [645.0711] STANDARD OF TIME.

Every mention of, or reference to, any hour or time in any law, during any period of the year, is to be construed with reference to and in accordance with the standard time provided by federal law. No department of the state government and no county, city, or town shall employ, during any period of the year, any other time, or adopt any ordinance or order providing for the use, during any period of the year, of any other time than the federal standard time.

EFFECTIVE DATE. This section is effective January 2, 2030, if an amendment to United States Code, title 15, section 260a, or other applicable law that authorizes states to observe advance standard time year-round is not enacted before that date.

Sec. 52. **BOARD OF COSMETOLOGIST EXAMINERS LICENSING WORKING GROUP.**

Subdivision 1. **Membership.** The board of cosmetologist examiners licensing working group consists of the following eleven members:

(1) the executive director of the Minnesota Board of Barber Examiners;

(2) one licensed salon owner, appointed by the executive director of the board of cosmetologist examiners;

(3) one representative of a cosmetology school, appointed by the executive director of the board of cosmetologist examiners;

(4) a representative of a trade association in the cosmetology industry that operates in the state, appointed by the executive director of the board of cosmetologist examiners;

(5) one state employee from another state agency that works with health and safety issues, appointed by the governor;

(6) two members of the public who use cosmetology services, appointed by the governor;

(7) two senators, one appointed by the majority leader and one appointed by the minority leader; and

(8) two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader.

(b) The executive director or a designee shall serve as an ex officio.

Subd. 2. **Duties; report.** (a) The working group must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over state government finance and policy by February 15, 2023. The report must:

(1) evaluate the recommendations in the 2021 Office of the Legislative Auditor program evaluation titled Board of Cosmetology Licensing and recommend whether and how to adopt the recommendations;

(2) evaluate the salon manager license and school manager license;

(3) evaluate the scope and requirements for special event services and homebound services permits and considering merging both permits; and

(4) evaluate an endorsement-based licensing structure.

(b) The report must include draft legislation to implement the recommendations of the working group.

Subd. 3. **Meetings; chair.** (a) The executive director of the board of cosmetologist examiners must convene the first meeting of the working group by September 15, 2022. At the first meeting, the members must elect a chair. Subsequent meetings of the working group must be convened by the chair or the chair's designee.

(b) The working group may conduct meetings remotely.

(c) The chair shall be responsible for document management of materials for the working group.

Subd. 4. **Compensation; reimbursement.** Members appointed under subdivision 1, clauses (2) through (6) may be compensated and reimbursed for expenses as provided in Minnesota Statutes, section 15.0575, subdivision 3.

Subd. 5. **Administrative support.** The Board of Cosmetologist Examiners must provide administrative support and meeting space to the working group.

Subd. 6. **Expiration.** The working group expires February 16, 2023, or the day after submitting the report required in subdivision 2, whichever occurs earlier.

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

Sec. 53. MISSISSIPPI RIVER PARKWAY COMMISSION; CITIZEN MEMBERS.

Citizens currently appointed to the Mississippi River Parkway Commission under Minnesota Statutes, section 161.1419, subdivision 2, serve terms as follows:

(1) Lake Itasca, to but not including the city of Grand Rapids, for a term ending December 31, 2026;

(2) Grand Rapids, to but not including the city of Brainerd, for a term ending December 31, 2026; and

(3) Brainerd, to but not including the city of Elk River, for a term ending December 31, 2026.

Sec. 54. UNITED STATES AMATEUR SPORTS AND TRAINING CENTER IN DAKOTA COUNTY; REPORT.

Subdivision 1. **Study required.** (a) The Minnesota Amateur Sports Commission must partner with the city of Eagan and the city of Inver Grove Heights to study the development of the United States Amateur Sports and Training Center in Dakota County.

(b) The study must:

(1) identify potential users of the training facility including youth and adult sport activities from diverse populations to be served by the training center;

(2) address possible sites of the training center and the proximity to other existing training facilities;

(3) address costs of construction for the training center based on needs identified in the study;

(4) address ongoing operational costs of the training center once completed;

(5) determine if the estimated training facility rental rates and user fees, and sponsorship fees are adequate to support the training center's ongoing operations; and

(6) evaluate the potential for local, nonstate resources to support the training facility operations to maintain the training facility, if necessary without regard to any debt service for capital improvements.

Subd. 2. **Study requirements.** (a) The commission's market analysis of user rental rates and user fees to determine potential revenues for the facility must consider the impacts on or duplication of existing private or government-sponsored facilities.

(b) The commission must analyze the state and local economic impacts of the proposed facility once fully operational including sales tax revenue increases and local venue and revenue impacts from sports tourism.

(c) The study must address the training center's ability to provide opportunities to underserved populations including culturally and economically diverse users and possible training center needs and uses for specific age and gender participants.

Subd. 3. **Legislative report.** The commission must submit a report describing its work and findings to the chairs and ranking minority members of the legislative committees responsible for capital investment and state government finance no later than January 15, 2023.

Sec. 55. DEPARTMENT OF IRON RANGE RESOURCES AND REHABILITATION; SEPARATION AND RETENTION INCENTIVE PROGRAM AUTHORIZATION.

The commissioner of Iron Range resources and rehabilitation may provide separation and retention incentive programs for employees of the department that are consistent with the provisions of Laws 2009, chapter 78, article 7, section 2, as amended by Laws 2010, chapter 215, article 9, section 2, and Laws 2010, chapter 216, section 53. The cost of such incentives are payable solely by funds made available to the commissioner under Minnesota Statutes, chapter 298. Employees are not required to participate in the programs.

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

Sec. 56. PUBLIC LAND SURVEY MONUMENT RESTORATION.

The chief geospatial information officer must submit a report by January 1, 2023, to the chairs and ranking minority members of the committees in the house of representatives and the senate with jurisdiction over local government detailing the status of the monuments that mark public land

survey corners, the work needed by each county to restore missing or mislocated monuments so that all public land survey corners are documented and marked with monuments, and the estimated costs for each county to complete the work. The report must describe the state's interest in the restoration of missing or mislocated monuments; propose a schedule for state funding, if warranted, for grants to counties to complete the work; whether the county has used or plans to use taxing authority in Minnesota Statutes, section 381.12, subdivision 2, to defray the expenses for the work; identify federal money that may be available for this work; or propose another manner of funding the work.

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

Sec. 57. **CONSUMER CHOICE OF FUEL ACT.**

Sections 9, 10, 18, and 57 are known as the Consumer Choice of Fuel Act.

Sec. 58. **REQUIRED RULEMAKING.**

(a) The commissioner of public safety must amend Minnesota Rules as follows:

(1) part 7410.6100, subpart 2, by striking item D;

(2) part 7410.6160, by striking "50" and inserting "30";

(3) part 7410.6420, subpart 6, item A, by striking "12" and inserting "10"; and

(4) part 7411.0630, subpart 6, by striking subitem (7) and renumbering the remaining subitems.

(b) The commissioner 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. 59. **REVISOR INSTRUCTION.**

(a) The revisor of statutes must change "Board of Cosmetologist Examiners" to "Board of Cosmetology" wherever it appears in Minnesota Statutes.

(b) The revisor is directed to change all cross-references to Minnesota Statutes, section 645.071, to cross-references to Minnesota Statutes, section 645.0711, throughout the statutes.

EFFECTIVE DATE. Paragraph (b) is effective January 2, 2030, if an amendment to United States Code, title 15, section 260a, or other applicable law that authorizes states to observe advance standard time year-round is not enacted before that date.

Sec. 60. **REPEALER.**

(a) Minnesota Statutes 2020, sections 136F.03; and 326A.04, subdivision 11, are repealed.

(b) Minnesota Rules, parts 7023.0150; 7023.0200; 7023.0250; and 7023.0300, are repealed.

(c) Minnesota Statutes 2020, section 645.071, is repealed.

EFFECTIVE DATE. Paragraph (c) is effective January 1, 2030, if an amendment to United States Code, title 15, section 260a, or other applicable law that authorizes states to observe advance standard time year-round is not enacted before that date. This section expires the day after an amendment to the United States Code, title 15, section 260a, or other applicable law is enacted that authorizes states to observe advance standard time year-round.

ARTICLE 3

ELECTIONS & CAMPAIGN FINANCE

Section 1. Minnesota Statutes 2020, section 10A.01, subdivision 10, is amended to read:

Subd. 10. **Candidate.** "Candidate" means an individual who seeks nomination or election as a state constitutional officer, legislator, or judge. An individual is deemed to seek nomination or election if the individual has taken the action necessary under the law of this state to qualify for nomination or election, has received contributions or made expenditures in excess of ~~\$750~~ \$200, or has given implicit or explicit consent for any other person to receive contributions or make expenditures in excess of ~~\$750~~ \$200, for the purpose of bringing about the individual's nomination or election. A candidate remains a candidate until the candidate's principal campaign committee is dissolved as provided in section 10A.243.

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

Sec. 2. Minnesota Statutes 2020, section 10A.105, subdivision 1, is amended to read:

Subdivision 1. **Single committee.** A candidate must not accept contributions from a source, other than self, in aggregate in excess of ~~\$750~~ \$200 or accept a public subsidy unless the candidate designates and causes to be formed a single principal campaign committee for each office sought. A candidate may not authorize, designate, or cause to be formed any other political committee bearing the candidate's name or title or otherwise operating under the direct or indirect control of the candidate. However, a candidate may be involved in the direct or indirect control of a party unit.

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

Sec. 3. Minnesota Statutes 2020, section 10A.14, subdivision 1, is amended to read:

Subdivision 1. **First registration.** (a) The treasurer of a political committee, political fund, principal campaign committee, or party unit must register with the board by filing a registration statement. The registration statement must be filed by the earliest of the following dates:

(1) no later than 14 days after the committee, fund, or party unit has made a contribution, received contributions, or made expenditures in excess of ~~\$750~~ \$200;

(2) no later than the next report of receipts and expenditures filing date applicable to the committee, fund, or party unit if the committee, fund, or party unit reached the threshold in clause (1) before the end of the reporting period covered by that report; or

(3) by the end of the next business day after it has received a loan or contribution that must be reported under section 10A.20, subdivision 5.

(b) This subdivision does not apply to ballot question or independent expenditure political committees or funds, which are subject to subdivision 1a.

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

Sec. 4. Minnesota Statutes 2020, section 10A.20, subdivision 6, is amended to read:

Subd. 6. **Report when no committee.** (a) A candidate who does not designate and cause to be formed a principal campaign committee and who makes campaign expenditures in aggregate in excess of ~~\$750~~ \$200 in a year must file with the board a report containing the information required by subdivision 3. Reports required by this subdivision must be filed by the dates on which reports by principal campaign committees must be filed.

(b) An individual who makes independent expenditures that aggregate more than \$1,500 in a calendar year or expenditures to promote or defeat a ballot question that aggregate more than \$5,000 in a calendar year must file with the board a report containing the information required by subdivision 3. A report required by this subdivision must be filed by the date on which the next report by political committees and political funds must be filed.

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

Sec. 5. Minnesota Statutes 2020, section 10A.25, subdivision 2, is amended to read:

Subd. 2. **Amounts.** (a) In a segment of an election cycle, the principal campaign committee of the candidate must not make campaign expenditures nor permit approved expenditures to be made on behalf of the candidate that result in aggregate expenditures in excess of the following:

(1) for governor and lieutenant governor, running together, \$3,817,700 in the election segment and \$1,697,400 in the nonelection segment;

(2) for attorney general, \$654,600 in the election segment and \$226,400 in the nonelection segment;

(3) for secretary of state and state auditor, separately, \$436,400 in the election segment and \$113,300 in the nonelection segment;

(4) for state senator, \$102,800 in the election segment and \$32,800 in a nonelection segment;

(5) for state representative, \$68,500 in the election segment.

(b) In addition to the amount in paragraph (a), clause (1), a candidate for endorsement for the office of lieutenant governor at the convention of a political party may make campaign expenditures and approved expenditures of five percent of that amount to seek endorsement.

(c) If a special election cycle occurs during a general election cycle, expenditures by or on behalf of a candidate in the special election do not count as expenditures by or on behalf of the candidate in the general election.

(d) The expenditure limits in this subdivision for an office are increased by ten percent for a candidate who has not previously held the same office, whose name has not previously been on the

primary or general election ballot for that office, and who has not in the past ten years raised or spent more than ~~\$750~~ \$200 in a run for any other office whose territory now includes a population that is more than one-third of the population in the territory of the new office. Candidates who qualify for first-time candidate status receive a ten percent increase in the campaign expenditure limit in all segments of the applicable election cycle. In the case of a legislative candidate, the office is that of a member of the house of representatives or senate without regard to any specific district.

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

Sec. 6. Minnesota Statutes 2020, section 10A.273, subdivision 1, is amended to read:

Subdivision 1. **Contributions during legislative session.** (a) A candidate for the legislature or for constitutional office, the candidate's principal campaign committee, or a political committee or party unit established by all or a part of the party organization within a house of the legislature, must not solicit or accept a contribution from a registered lobbyist, political committee, political fund, or an association not registered with the board during a regular session of the legislature.

(b) A registered lobbyist, political committee, political fund, or an association not registered with the board must not make a contribution to a candidate for the legislature or for constitutional office, the candidate's principal campaign committee, or a political committee or party unit established by all or a part of the party organization within a house of the legislature during a regular session of the legislature.

(c) A lobbyist, political committee, or political fund must not make a contribution at any time for membership in, or access to, a facility during a regular legislative session if the facility is operated by the principal campaign committee of a candidate for the legislature or constitutional office, or by a political party organization within a house of the legislature.

Sec. 7. Minnesota Statutes 2020, section 13.607, is amended by adding a subdivision to read:

Subd. 6a. **Registered voter lists.** Data on registered voters is governed by section 201.022, subdivision 4.

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

Sec. 8. Minnesota Statutes 2020, section 201.022, is amended by adding a subdivision to read:

Subd. 4. **Data.** (a) Except as provided in this subdivision, all data in the statewide voter registration system is public data on individuals, as defined in section 13.02, subdivision 15.

(b) The following data is private data on individuals, as defined in section 13.02, subdivision 12: any identifying information related to a minor, a voter's date of birth, driver's license number, identification card number, military identification card number, passport number, or any part of a voter's Social Security number.

(c) Information maintained on the presidential primary political party list required by section 201.091, subdivision 4a, is private data on individuals as defined under section 13.02, subdivision 12, except that the secretary of state must provide the list to the chair of each major political party.

(d) Upon receipt of a statement signed by the voter that withholding the voter's name from the public is required for the safety of the voter or the voter's family, the secretary of state and county auditor must withhold from the public the name of the registered voter. Data withheld pursuant to this paragraph is private data on individuals, as defined in section 13.02, subdivision 12.

(e) Any person requesting public data must state in writing that any information obtained from the statewide voter registration system will not be used for purposes unrelated to elections, political activities, or law enforcement.

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

Sec. 9. Minnesota Statutes 2020, section 201.091, subdivision 4, is amended to read:

Subd. 4. **Public information lists.** The county auditor shall make available for inspection a public information list which must contain the name, address, year of birth, and voting history of each registered voter in the county. The list must not include ~~the party choice of any voter who voted in a presidential nomination primary.~~ data classified as private data on individuals pursuant to section 201.022, subdivision 4. The telephone number must be included on the list if provided by the voter. The public information list may also include information on voting districts. The county auditor may adopt reasonable rules governing access to the list. No individual inspecting the public information list shall tamper with or alter it in any manner. No individual who inspects the public information list or who acquires a list of registered voters prepared from the public information list may use any information contained in the list for purposes unrelated to elections, political activities, or law enforcement. The secretary of state may provide copies of the public information lists ~~and other information from the statewide registration system~~ for uses related to elections, political activities, or in response to a law enforcement inquiry from a public official concerning a failure to comply with any criminal statute or any state or local tax statute.

Before inspecting the public information list or obtaining a list of voters or other information from the list, the individual shall provide identification to the public official having custody of the public information list and shall state in writing that any information obtained from the list will not be used for purposes unrelated to elections, political activities, or law enforcement. Requests to examine or obtain information from the public information lists or the statewide registration system must be made and processed in the manner provided in the rules of the secretary of state.

~~Upon receipt of a statement signed by the voter that withholding the voter's name from the public information list is required for the safety of the voter or the voter's family, the secretary of state and county auditor must withhold from the public information list the name of a registered voter.~~

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

Sec. 10. Minnesota Statutes 2020, section 201.091, subdivision 4a, is amended to read:

Subd. 4a. **Presidential nomination primary political party list.** The secretary of state must maintain a list of the voters who voted in a presidential nomination primary and the political party each voter selected. ~~Information maintained on the list is private data on individuals as defined under~~

~~section 13.02, subdivision 12, except that the secretary of state must provide the list to the chair of each major political party.~~

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

Sec. 11. Minnesota Statutes 2020, section 201.091, is amended by adding a subdivision to read:

Subd. 10. **Requests for data.** Nothing in this section prevents a person from requesting public data as described in section 201.022, subdivision 4.

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

Sec. 12. Minnesota Statutes 2020, 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 enter the information contained on it into the statewide voter registration system. Voter registration applications completed before election day must be entered into the statewide voter 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 voter 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 before the canvass of that election is started.~~

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~~ must 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 the statewide voter 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 information from a voter registration application into the statewide voter registration system, the secretary of state shall 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 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 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 send a notice of incomplete registration to any voter whose name appears on the list and change the voter's status to "incomplete." A voter who receives a notice of incomplete registration from the county auditor may either provide the information required to complete the registration at least 21 days before the next election or at the polling place on election day.

EFFECTIVE DATE. This section is effective September 1, 2022, and applies to elections on or after that date.

Sec. 13. Minnesota Statutes 2020, section 203B.07, subdivision 1, is amended to read:

Subdivision 1. **Delivery of envelopes, directions.** The county auditor or the municipal clerk shall prepare, print, and transmit a return envelope, a signature envelope, a ~~ballot~~ secrecy 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 provide first class postage for the return envelope. The directions for casting an absentee ballot shall be printed in at least 14-point bold type with heavy leading and may be printed on the ~~ballot~~ secrecy envelope. When a person requests the directions in Braille or on audio file, the county auditor or municipal clerk shall provide them in the form requested. The secretary of state shall 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 include instructions for registering to vote.

Sec. 14. Minnesota Statutes 2020, section 203B.07, subdivision 2, is amended to read:

Subd. 2. **Design of envelopes.** (a) The ~~return~~ signature envelope shall be of sufficient size to conveniently enclose and contain the ~~ballot~~ secrecy envelope and a folded voter registration application. The ~~return~~ signature envelope shall be designed to open on the left-hand end.

(b) The return envelope must be designed in one of the following ways:

(1) it must be of sufficient size to contain ~~an additional~~ a signature envelope that when and when the return envelope is sealed, it conceals the signature, identification, and other information; or

(2) it must ~~be the signature envelope and provide an additional flap that when sealed, conceals the signature, identification, and other information.~~

(c) Election officials may open the flap or the ~~additional~~ return envelope at any time after receiving the returned ballot to inspect the returned certificate for completeness or to ascertain other information.

Sec. 15. Minnesota Statutes 2020, section 203B.07, subdivision 3, is amended to read:

Subd. 3. **Eligibility certificate.** A certificate of eligibility to vote by absentee ballot shall be printed on the back of the ~~return~~ signature envelope. The certificate shall 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 registered to vote in Minnesota 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, the voter has provided proof of residence as required by section 201.061, subdivision 3.

Sec. 16. Minnesota Statutes 2021 Supplement, 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 envelope containing marked ballots may be mailed as provided in the directions for casting the absentee ballots, may be ~~left with~~ personally delivered to the office of 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 envelope must be submitted to the county auditor or municipal clerk by 3:00 p.m. on election day.

(b) The voter may designate an agent to deliver in person the sealed absentee ballot return envelope to the county auditor or municipal clerk or to deposit the return envelope in the mail. An agent may deliver or mail the return envelopes of not more than three voters in any election. An agent must not deposit the absentee ballot return envelope of another person in a drop box. Any person designated as an agent who tampers with either the return envelope or the voted ballots or does not immediately mail or deliver the return envelope to the county auditor or municipal clerk is guilty of a misdemeanor.

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

Sec. 17. Minnesota Statutes 2020, section 203B.081, subdivision 1, is amended to read:

Subdivision 1. **Location; timing.** An eligible voter may vote by absentee ballot in the office of the county auditor and at any ~~other~~ additional polling place designated by the county auditor during the 46 days before the election, except as provided in this section. An additional polling place designated by the county auditor pursuant to this section must be at a precinct polling place designated pursuant to section 204B.16. Where the county auditor administers absentee voting, each additional

polling place must be open for in-person absentee voting for the entire absentee voting period during the same days and hours as the office of the county auditor is open for in-person absentee voting. Where a municipal clerk has been designated to administer absentee voting pursuant to section 203B.05, each additional polling place designated within the municipality must be open for in-person absentee voting for the entire absentee voting period during the regular business hours for the municipal clerk's office.

Sec. 18. Minnesota Statutes 2021 Supplement, section 203B.082, is amended to read:

203B.082 ABSENTEE BALLOT DROP BOXES; SECURITY AND INTEGRITY.

Subdivision 1. **Definition.** As used in this section, "drop box" means a secure receptacle or container established to receive completed absentee ballots 24 hours per day. Drop box does not include a receptacle or container maintained by the United States Postal Service, or a location at which a voter or an agent may return a completed absentee ballot by providing it directly to an employee of the county auditor or municipal clerk.

Subd. 2. **Minimum security and integrity standards.** The county auditor or municipal clerk may provide locations at which a voter may deposit a completed absentee ballot enclosed in the completed signature envelope in a secure drop box, consistent with the following security and integrity standards:

(1) each drop box must be continually ~~recorded~~ livestreamed during the absentee voting period as provided in section 203B.155 and on election day;

(2) each drop box must be located within 100 feet of a door of the building where the county auditor or municipal clerk's office is located;

(3) each drop box must be available for use during the entire absentee voting period;

(4) each drop box must be assigned an identification number that is unique to that drop box;

~~(5)~~ (5) each drop box must be designed to prevent an unauthorized person from moving, removing, or tampering with the drop box;

~~(6)~~ (6) each drop box placed in an outdoor location must be fastened to a building, bolted to a concrete pad, or otherwise attached to a similarly secure structure;

~~(7)~~ (7) ballots deposited in a drop box must be secured against access by any unauthorized person, and in the case of a drop box located in an outdoor location, the drop box must be secured against damage due to weather or other natural conditions;

~~(8)~~ (8) each drop box must contain signage or markings that:

(i) clearly identifies the drop box as an official absentee ballot return location; and

(ii) include the location and hours where an agent may return an absentee ballot;

(iii) include the statement: "STOP! You can only return your own ballot in this drop box."; and

(iv) the identification number assigned to the drop box;

~~(6)~~ (9) deposited ballots must be collected at least once per ~~business~~ day during the absentee voting period by the county auditor, municipal clerk, or an elections official trained by the county auditor or municipal clerk in the proper maintenance and handling of absentee ballots and absentee ballot drop boxes, and in the security measures used to protect absentee ballots; and

~~(7)~~ (10) ballots collected from each drop box must be properly date-stamped and stored in a locked ballot container or other secured and locked space consistent with any applicable laws governing the collection and storage of absentee ballots.

Subd. 3. Publication of locations required. (a) The county auditor or municipal clerk must provide a list of designated absentee ballot drop box locations to the secretary of state no later than 40 days prior to the start of the absentee voting period at every regularly scheduled primary or general election. The list must be published on the website of the county or municipality and on the website of the secretary of state at least 35 days prior to the start of the absentee voting period.

(b) The county auditor or municipal clerk must provide an updated list of designated absentee ballot drop box locations to the secretary of state no later than 20 days prior to the start of the absentee voting period at every regularly scheduled primary or general election, if any locations have changed or been added since submission of the list under paragraph (a). The list must be published on the website of the county or municipality and on the website of the secretary of state at least 15 days prior to the start of the absentee voting period.

Subd. 4. Electioneering prohibited. Section 211B.11 applies to conduct within 100 feet of an absentee ballot drop box established under this section.

Subd. 5. Ballot collection log and report. (a) The county auditor or municipal clerk must maintain a log for each drop box. The log must include the unique identification number assigned to the drop box. The log must include the following information for each day during the absentee voting period:

(1) the date and time of each ballot collection;

(2) the person who collected the ballots; and

(3) the number of ballots collected.

(b) Before the meeting of the local canvassing board, each county auditor and municipal clerk must total the number of ballots collected from each drop box for each day during the absentee voting period and submit the totals to the local ballot board and the secretary of state. Before the meeting of the state canvassing board for an election, the secretary of state must compile the totals, broken down by county. Prior to the state canvassing board beginning the state canvass, the secretary of state must submit the totals to the state canvassing board and the chairs and ranking minority members of the legislative committees having jurisdiction over election policy.

Subd. 6. Rulemaking prohibited. The secretary of state is not authorized to adopt rules to implement or supplement the provisions of this section.

EFFECTIVE DATE. This section is effective September 1, 2022, and applies to elections conducted on or after that date, except that subdivision 6 is effective the day following final enactment.

Sec. 19. Minnesota Statutes 2021 Supplement, section 203B.121, subdivision 1, is amended to read:

Subdivision 1. **Establishment; applicable laws.** (a) The governing body of each county, municipality, and school district with responsibility to accept and reject absentee ballots must, by ordinance or resolution, establish a ballot board. The board must consist of a sufficient number of election judges appointed as provided in sections 204B.19 to 204B.22. The board ~~may~~ **must not** include deputy county auditors or deputy city clerks ~~who have received training in the processing and counting of absentee ballots,~~ unless the deputy county auditor or deputy city clerk has been appointed an election judge as provided in sections 204B.19 to 204B.22. Each member of the ballot board must be provided adequate training on the processing and counting of absentee ballots, including but not limited to instruction on accepting and rejecting absentee ballots, storage of absentee ballots, timelines and deadlines, the role of the ballot board, procedures for opening absentee ballot envelopes, procedures for counting absentee ballots, and procedures for reporting absentee ballot totals.

(b) Each jurisdiction must pay a reasonable compensation to each member of that jurisdiction's ballot board for services rendered during an election.

(c) Except as otherwise provided by this section, all provisions of the Minnesota Election Law apply to a ballot board.

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

Sec. 20. Minnesota Statutes 2021 Supplement, section 203B.121, subdivision 4, is amended to read:

Subd. 4. **Opening of envelopes.** After the close of business on the seventh day before the election, the ballots from secrecy 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. Prior to depositing a ballot into the appropriate ballot box, the members of the ballot board must verify that the ballot contains the security marking required by section 204B.36, subdivision 1. If more than one voted ballot is enclosed in the ballot secrecy envelope, or if a ballot does not contain the required security marking, the ballots must be returned in the manner provided by section 204C.25 for return of spoiled ballots, and may not be counted.

EFFECTIVE DATE. This section is effective September 1, 2022, and applies to elections conducted on or after that date.

Sec. 21. Minnesota Statutes 2020, 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 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 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 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 counting of ballots must be public. No vote totals from ballots may be made public before the close of voting on election day. Vote totals must only be disclosed in accordance with section 204C.19.

(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, 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).

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

Sec. 22. Minnesota Statutes 2020, section 203B.121, is amended by adding a subdivision to read:

Subd. 6. **Ballot board observers.** (a) For an election where a partisan office appears on the ballot, a major or minor political party may appoint a person to serve as an absentee ballot board observer. For an election where only nonpartisan offices are on the ballot, a candidate appearing on the ballot may appoint a person to serve as an absentee ballot board observer. All appointments must be made at least 30 days prior to the start of the absentee voting period, except that if an observer is unable to perform the required duties the observer may be replaced by the appointing

political party or candidate. The political party or candidate must notify the county auditor, city clerk, or school district clerk if a ballot board observer is appointed and provide the observer's name, address, phone number, and e-mail address. A ballot board observer must complete election judge training as described in section 204B.25, including training on the processing and handling of absentee ballots. The following individuals are not eligible to serve as absentee ballot board observers: members of the ballot board, candidates on the ballot, and immediate family members of candidates on the ballot.

(b) A ballot board observer must be allowed to observe the following activities of the ballot board that take place during the absentee voting period, on election day, or after election day:

- (1) examining envelopes and accepting or rejecting envelopes as required by subdivision 2;
- (2) opening envelopes and duplicating ballots, if necessary, as required by subdivision 4;
- (3) depositing absentee ballots into a ballot box as required by subdivision 5, paragraph (a); and
- (4) counting and tabulating the ballots as required by subdivision 5, paragraph (b).

(c) A ballot board observer must be allowed to be within four feet of the ballots or envelopes being handled. A ballot board observer must not handle any absentee ballots, envelopes, or other election documents. A ballot board observer must not prepare in any manner any lists of individuals who have or have not voted. A ballot board observer must not interfere with the conduct of the ballot board. The ballot board may have a ballot board observer removed if the observer is disrupting the activities of the ballot board.

(d) The county auditor, municipal clerk, or school district clerk must notify each ballot board observer of the date, time, and location any time the activities in paragraph (b) will take place. The notice must be in writing and mailed to the ballot board observer at least seven days before the activity is to take place.

EFFECTIVE DATE. This section is effective May 15, 2022, and applies to absentee voting periods beginning on or after June 24, 2022.

Sec. 23. Minnesota Statutes 2020, section 203B.121, is amended by adding a subdivision to read:

Subd. 7. **Livestreaming.** (a) The county auditor, municipal clerk, or school district clerk must ensure that all ballot board activity is livestreamed as provided by this subdivision and section 203B.155. This requirement applies during the absentee voting period, on election day, and on the day following the election day if absentee ballots are being processed. At a minimum, the following activities must be recorded:

- (1) examining envelopes and accepting or rejecting envelopes as required by subdivision 2;
- (2) opening envelopes and duplicating ballots, if necessary, as required by subdivision 4;
- (3) depositing absentee ballots into a ballot box as required by subdivision 5, paragraph (a); and
- (4) counting and tabulating the ballots as required by subdivision 5, paragraph (b).

(b) The county auditor, municipal clerk, or school district clerk must position one or more cameras so as to record the following:

- (1) the ballot board members performing the activities described in paragraph (a);
- (2) all ballots in the room where the activities in paragraph (a) are taking place; and
- (3) all doors in the room where the activities in paragraph (a) are taking place.

To the extent possible while complying with clauses 1 to 3, the cameras must be positioned so as to avoid recording private data included on absentee ballot envelopes or other documents.

EFFECTIVE DATE. This section is effective September 1, 2022, and applies to elections conducted on or after that date.

Sec. 24. **[203B.155] LIVESTREAMING REQUIREMENTS.**

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

- (b) "Commissioner" means the commissioner of information technology services.
- (c) "Department" means the Department of Information Technology Services.

Subd. 2. **Livestreaming.** (a) Where livestreaming is required by sections 203B.082, subdivision 2, clause (1), and 203B.121, the commissioner must ensure the livestream is available on the department's website in a manner that allows members of the public to easily access and view the livestream. The commissioner must record all livestreamed video and retain the recording for at least 22 months after the date of the recording. Notwithstanding chapter 13 or any other law to the contrary, the county auditor, city clerk, or school board clerk is not required to maintain any livestreamed or recorded data or provide access to the data. The commissioner must not charge any fee to the public or to the county, municipality, or school district for providing this service.

(b) The secretary of state must include information on the office's website on how to find and access videos on the department's website. Each county auditor, municipal clerk, and school district clerk must post the same information on their respective local government's website, if there is one.

Subd. 3. **Data.** The commissioner must retain video recordings of livestreamed activities required by sections 203B.082, subdivision 2, clause (1), and 203B.121, as provided by this section. The recordings are public data, except that the commissioner may obscure private data on individuals that is visible on a recording.

Subd. 4. **Livestream disruptions.** If a livestream is disrupted or disabled, the commissioner, county auditor, municipal clerk, or school district clerk is not liable if the disruption is due to a cause outside of the control of the commissioner, county auditor, municipal clerk, or school district clerk. If there is a disruption, the commissioner must work with the county auditor, municipal clerk, or school district clerk to reinstate video coverage as soon as possible. If appointed ballot board observers are present and there is a disruption in livestreaming, the activities of the ballot board may continue. If appointed ballot board observers are not present and there is a disruption in livestreaming, the ballot board must stop all activities until one of the following occurs:

(1) the livestream is reinstated;

(2) ballot board observers are present; or

(3) the county auditor, municipal clerk, or school district clerk arranges the activities to be recorded in a manner that substantially complies with the requirements of this section and section 203B.121, subdivision 7.

Within 24 hours of the livestream being reinstated, the county auditor, municipal clerk, or school district clerk must transmit any recordings made pursuant to clause (3) to the commissioner to be posted on the department's website.

EFFECTIVE DATE. This section is effective September 1, 2022, and applies to elections conducted on or after that date.

Sec. 25. Minnesota Statutes 2020, section 203B.21, subdivision 1, is amended to read:

Subdivision 1. **Form.** Absentee ballots under sections 203B.16 to 203B.27 shall conform to the requirements of the Minnesota Election Law, except that modifications in the size or form of ballots or envelopes may be made if necessary to satisfy the requirements of the United States postal service. The return envelope must be designed in one of the following ways:

(1) it must be of sufficient size to contain ~~an additional~~ a signature envelope ~~that when~~ and when the return envelope is sealed, it conceals the signature, identification, and other information; or

(2) it must be the signature envelope and provide an additional flap that when sealed, conceals the signature, identification, and other information.

The flap or the ~~additional~~ return envelope must be perforated to permit election officials to inspect the returned certificate for completeness or to ascertain other information at any time after receiving the returned ballot without opening the ~~return~~ signature envelope.

Sec. 26. Minnesota Statutes 2020, section 203B.21, subdivision 3, is amended to read:

Subd. 3. **Back of return signature envelope.** On the back of the ~~return~~ signature envelope a certificate shall appear with space for:

(1) the voter's address of present or former residence in Minnesota;

(2) the voter's current e-mail address, if the voter has one;

(3) a statement indicating the category described in section 203B.16 to which the voter belongs;

(4) a statement that the voter has not cast and will not cast another absentee ballot in the same election or elections;

(5) a statement that the voter personally marked the ballots without showing them to anyone, or if physically unable to mark them, that the voter directed another individual to mark them; and

(6) the same voter's passport number, Minnesota driver's license or state identification card number, or the last four digits of the voter's Social Security number as provided on the absentee ballot application; if the voter does not have access to any of these documents, the voter may attest to the truthfulness of the contents of the certificate under penalty of perjury.

The certificate shall also contain a signed oath in the form required by section 705 of the Help America Vote Act, Public Law 107-252, which must read:

"I swear or affirm, under penalty of perjury, that:

I am a member of the uniformed services or merchant marine on active duty or an eligible spouse or dependent of such a member; a United States citizen temporarily residing outside the United States; or other United States citizen residing outside the United States; and I am a United States citizen, at least 18 years of age (or will be by the date of the election), and I am eligible to vote in the requested jurisdiction; I have not been convicted of a felony, or other disqualifying offense, or been adjudicated mentally incompetent, or, if so, my voting rights have been reinstated; and I am not registering, requesting a ballot, or voting in any other jurisdiction in the United States except the jurisdiction cited in this voting form. In voting, I have marked and sealed my ballot in private and have not allowed any person to observe the marking of the ballot, except for those authorized to assist voters under state or federal law. I have not been influenced.

The information on this form is true, accurate, and complete to the best of my knowledge. I understand that a material misstatement of fact in completion of this document may constitute grounds for a conviction for perjury."

Sec. 27. Minnesota Statutes 2020, 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 ~~return or administrative signature~~ envelope, the certificate must be attached to the ~~ballot~~ secrecy envelope.

(b) The absentee ballot board must immediately examine the ~~return~~ signature envelopes or certificates of voter eligibility that are attached to the secrecy 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 ~~return envelope~~ 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. 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.

Sec. 28. Minnesota Statutes 2021 Supplement, section 203B.24, subdivision 1, is amended to read:

Subdivision 1. **Check of voter eligibility; proper execution of certificate.** Upon receipt of an absentee ballot returned as provided in sections 203B.16 to 203B.27, the election judges shall compare the voter's name with the names recorded under section 203B.19 in the statewide registration system to insure that the ballot is from a voter eligible to cast an absentee ballot under sections 203B.16 to 203B.27. The election judges shall mark the signature envelope "Accepted" and initial or sign the signature envelope below the word "Accepted" if the election judges are satisfied that:

(1) the voter's name and address on the signature envelope appears in substantially the same form as on the application records provided to the election judges by the county auditor;

(2) the voter has signed the federal oath prescribed pursuant to section 705(b)(2) of the Help America Vote Act, Public Law 107-252;

(3) the voter has set forth the same voter's passport number, or Minnesota driver's license or state identification card number, or the last four digits of the voter's Social Security number as submitted on the application, if the voter has one of these documents;

(4) the voter is not known to have died; and

(5) the voter has not already voted at that election, either in person or by absentee ballot.

If the identification number described in clause (3) does not match the number as submitted on the application, the election judges must make a reasonable effort to satisfy themselves through other information provided by the applicant, or by an individual authorized to apply on behalf of the voter, that the ballots were returned by the same person to whom the ballots were transmitted.

An absentee ballot cast pursuant to sections 203B.16 to 203B.27 may only be rejected for the lack of one of clauses (1) to (5). In particular, failure to place the ballot within the secrecy envelope before placing it in the ~~outer white~~ signature envelope is not a reason to reject an absentee ballot.

Election judges must note the reason for rejection on the back of the envelope in the space provided for that purpose.

Failure to return unused ballots shall not invalidate a marked ballot, but a ballot shall not be counted if the certificate on the ~~return~~ signature envelope is not properly executed. In all other respects the provisions of the Minnesota Election Law governing deposit and counting of ballots shall apply. Notwithstanding other provisions of this section, the counting of the absentee ballot of a deceased voter does not invalidate the election.

Sec. 29. Minnesota Statutes 2020, section 204B.32, is amended by adding a subdivision to read:

Subd. 3. **Contributions for election expenses prohibited.** Notwithstanding any home rule charter or local ordinance to the contrary, a county, municipality, or school district may not accept a contribution, in any form, from a for-profit business or a nonprofit organization made for the purpose of paying expenses associated with conducting a federal, state, or local election.

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

Sec. 30. Minnesota Statutes 2020, section 204B.36, subdivision 1, is amended to read:

Subdivision 1. **Type.** (a) All ballots shall be printed with black ink on paper of sufficient thickness to prevent the printing from being discernible from the back. All ballots shall be printed in easily readable type with suitable lines dividing candidates, offices, instructions and other matter printed on ballots. The same type shall be used for the names of all candidates on the same ballot.

(b) Except for ballots prepared and distributed under sections 203B.16 to 203B.27, all ballots must be printed on paper that contains a security marking designed to allow verification of the ballot's authenticity. The security marking must be designed so that it does not interfere with a tabulator's ability to accurately read the ballot. At a federal or state election, the form of the security marking must be prescribed by the secretary of state. At a local election, the form of the security marking must be prescribed by the county auditor or municipal clerk. For purposes of this paragraph, a security marking is a watermark, ultraviolet light marking, or other substantially equivalent marking.

EFFECTIVE DATE. This section is effective September 1, 2022, and applies to elections conducted on or after that date.

Sec. 31. Minnesota Statutes 2020, section 204C.19, subdivision 3, is amended to read:

Subd. 3. **Premature disclosure of count results.** No The county auditor, municipal clerk, school district clerk, election judge, or any other person must not disclose count results from any precinct ~~shall be disclosed by any election judge or other individual~~ until all count results from that precinct are available, nor shall have been counted and totaled, including absentee votes received and processed by 8 p.m. on election day. Absentee ballots may continue to be processed and counted after 8 p.m. on election day as provided in section 203B.121, subdivision 5, paragraph (c). The public media must not disclose any count results from any precinct before the time when voting is scheduled to end in the state.

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

Sec. 32. Minnesota Statutes 2020, section 204D.16, is amended to read:

204D.16 SAMPLE GENERAL ELECTION BALLOTS; POSTING; PUBLICATION.

(a) At least 46 days before the state general election, the county auditor ~~shall~~ must post sample ballots for each precinct in the auditor's office for public inspection and transmit an electronic copy of these sample ballots to the secretary of state.

(b) No earlier than 15 days and no later than two days before the state general election the county auditor ~~shall~~ must cause a ~~sample~~ generic state general election ballot to be published in at least one newspaper of general circulation in the county. The generic ballot must include only the races and candidates that will appear on the ballot for every precinct in the county. The secretary of state, in collaboration with local government election officials and the Minnesota Newspaper Association, must design the generic ballot to be used by local election officials. When printed in the newspaper, the generic ballot must be sized so that it comprises a minimum of 75 percent of one page. The generic ballot must include the following statement:

"This ballot only includes the races and candidates that will appear on the ballot for every precinct in the county. Your ballot will have the names of all candidates for whom you can vote in

your precinct. To view a sample ballot reflecting your specific address, please enter your address information on this website: [link to appropriate page on the secretary of state's website]. You may also view a list of sample ballots for each county precinct on [link to appropriate page on the county's website]. If you would like a copy of a sample ballot specific to your address sent to you, please contact [insert the name of the appropriate election official, phone number, and e-mail address] and the county will mail you a sample at no charge."

Sec. 33. Minnesota Statutes 2021 Supplement, section 206.805, subdivision 1, is amended to read:

Subdivision 1. **Contracts required.** (a) The secretary of state, with the assistance of the commissioner of administration, must establish one or more state voting systems contracts. The contracts should, if practical, include provisions for maintenance of the equipment purchased. The voting systems contracts must address precinct-based optical scan voting equipment, assistive voting technology, automatic tabulating equipment, and electronic roster equipment. The contracts must give the state a perpetual license to use and modify the software. The contracts must include provisions to escrow the software source code. Bids for voting systems and related election services must be solicited from each vendor selling or leasing voting systems that have been certified for use by the secretary of state. Bids for electronic roster equipment, software, and related services must be solicited from each vendor selling or leasing electronic roster equipment that meets the requirements of section 201.225, subdivision 2. The contracts must be renewed from time to time.

(b) The secretary of state, with the assistance of the commissioner of administration, must establish one or more contracts for ballot paper bearing a security marking as described in section 204B.36, subdivision 1. The contracts must be renewed from time to time.

(c) Counties and municipalities may purchase or lease voting systems and obtain related election services from the state contracts. All counties and municipalities are members of the cooperative purchasing venture of the Department of Administration for the purpose of this section. For the purpose of township elections, counties must aggregate orders under contracts negotiated under this section for products and services and may apportion the costs of those products and services proportionally among the townships receiving the products and services. The county is not liable for the timely or accurate delivery of those products or services.

EFFECTIVE DATE. This section is effective September 1, 2022, and applies to elections conducted on or after that date.

Sec. 34. Minnesota Statutes 2020, section 206.83, is amended to read:

206.83 TESTING OF VOTING SYSTEMS.

(a) Within 14 days before election day, 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 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, 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.

(b) At least 14 days before conducting the testing required by paragraph (a), the official in charge of elections must give notice of the date, time, and location of the testing in the following manner:

(1) by publishing the notice once in the official newspaper;

(2) by prominently posting the notice on the applicable county, municipal, or school district website, if there is one; and

(3) by sending the notice to the secretary of state. The secretary of state must prominently publish the notices on the secretary's website. The secretary of state must notify the chairs of each major and minor political party when notices are posted and where to find them.

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

Sec. 35. **[211B.075] DISTRIBUTION OF ABSENTEE BALLOT APPLICATIONS AND SAMPLE BALLOTS.**

Subdivision 1. **Definitions.** (a) The following terms have the meanings given for the purpose of this section.

(b) "Person or entity" means any individual, committee, or association as defined by 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) A person or entity that mails an absentee ballot application or sample ballot to anyone in the state must comply with this section.

(b) In addition to the absentee ballot application or sample ballot, the person or entity must include a statement that says:

(1) the mailing is not an official election communication from a unit of government;

(2) the application or ballot has not been included at the request of a government official; and

(3) if a sample ballot is enclosed, that the sample ballot is not an official ballot and the voter must not cast the ballot.

(c) The statement required by paragraph (b) must be printed in a typeface and format designed to be clearly visible at the time the mailing is opened. The mailing envelope must include markings to clearly distinguish it from official election mail sent by a unit of government.

(d) If an absentee ballot application is included, the application must be blank and must not include the voter's name, address, or any other required information.

(e) This section does not apply to a unit of government or employee of that unit of government when discharging official election duties.

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

Sec. 36. **SECRETARY OF STATE; REPORTS.**

(a) No later than January 15, 2024, the secretary of state must submit a report to the chairs and ranking minority members of the legislative committees having jurisdiction over elections on grants awarded under Laws 2021, First Special Session chapter 12, article 1, section 6, for ballot dropbox security and integrity. The report must detail each grant awarded including the jurisdiction, the amount of the grant, and what the grant money is intended to purchase.

(b) No later than January 15, 2024, the secretary of state must submit a report to the chairs and ranking minority members of the legislative committees having jurisdiction over elections on grants awarded under article 1, section 2 for temporary staffing, livestreaming of election-related activity, and purchasing ballot paper with security markings. The report must detail each grant awarded including the jurisdiction, the amount of the grant, and what the grant money is intended to purchase.

Sec. 37. **REPEALER.**

Minnesota Statutes 2020, sections 13.607, subdivision 6; and 201.091, subdivision 9, are repealed.

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

Sec. 38. **EFFECTIVE DATE.**

Except as otherwise provided, this article is effective July 1, 2022, and applies to elections conducted on or after that date."

Delete the title and insert:

"A bill for an act relating to state government; specifying the performance of legal services by the Office of the Attorney General; designating a state fossil; modifying provisions related to the legislative budget office; precluding adoption of certain rules; requiring amendment to certain rules; precluding enforcing unadopted rules; establishing standard time year round beginning in 2030 if year round daylight saving time is not allowed; modifying renewable energy requirements for state-funded construction projects; requiring study of the a center for amateur sports and training in Dakota County; authorizing the executive director of the Legislative Coordinating Commission

to enter contracts; modifying enabling statute for Legislative Salary Council and Mississippi River Parkway Commission; increasing fiscal safeguards for state grants to nonprofit organizations; modifying Board of Cosmetologist Examiners provisions; making new rules inapplicable to previously authorized electronic pull-tab devices, games, and systems; adding to acceptable uses of the breeders fund; expanding eligibility for long-term equity investment for local governments; extending the sunset date of the Capitol Area Security Advisory Committee; authorizing separation and retention incentive programs for employees of the Department of Iron Range Resources and Rehabilitation; changing a reinstatement provision for certified public accountants; repealing procedures related to the automatic revocation of certain public accountant certificates; repealing the Candidate Advisory Commission for Minnesota State Colleges and Universities Board of Trustees; limiting certain types of contributions that grant; decreasing certain registration thresholds; classifying data in the statewide voter registration system; modifying provisions related to sample ballots and applications; prohibiting local governments from accepting certain contributions for election expenses; modifying various provisions related to voting and absentee voting; amending requirements on releasing vote totals; appropriating money; requiring a report; making technical and conforming changes; amending Minnesota Statutes 2020, sections 3.303, subdivision 6; 3.8853, subdivision 4, by adding a subdivision; 3.98, subdivision 1; 10A.01, subdivision 10; 10A.105, subdivision 1; 10A.14, subdivision 1; 10A.20, subdivision 6; 10A.25, subdivision 2; 10A.273, subdivision 1; 13.607, by adding a subdivision; 13.64, subdivisions 3, 4; 15A.0825, subdivisions 1, 2, 3; 16B.32, subdivision 1a; 16B.325, subdivision 1; 16B.98, subdivision 8; 116.07, subdivision 2, by adding a subdivision; 118A.09, subdivisions 1, 2; 136F.02, subdivision 1; 155A.20; 155A.23, subdivisions 8, 11, 18, by adding a subdivision; 155A.25, subdivision 1a; 155A.27, subdivisions 1, 5a, 6, 7, 10, by adding a subdivision; 155A.271, subdivision 1; 155A.29, subdivisions 1, 4; 155A.30, subdivisions 2, 3, 4, 6, 11; 161.1419, subdivision 2; 201.022, by adding a subdivision; 201.091, subdivisions 4, 4a, by adding a subdivision; 201.121, subdivision 1; 203B.07, subdivisions 1, 2, 3; 203B.081, subdivision 1; 203B.121, subdivision 5, by adding subdivisions; 203B.21, subdivisions 1, 3; 203B.23, subdivision 2; 204B.32, by adding a subdivision; 204B.36, subdivision 1; 204C.19, subdivision 3; 204D.16; 206.83; 299E.04, subdivision 5; 326A.09; 349.151, subdivision 4d; 349.1721, subdivisions 1, 2; Minnesota Statutes 2021 Supplement, sections 203B.08, subdivision 1; 203B.082; 203B.121, subdivisions 1, 4; 203B.24, subdivision 1; 206.805, subdivision 1; 240.131, subdivision 7; Laws 2021, First Special Session chapter 12, article 1, section 6; proposing coding for new law in Minnesota Statutes, chapters 1; 8; 14; 15; 16B; 118A; 203B; 211B; 645; repealing Minnesota Statutes 2020, sections 13.607, subdivision 6; 136F.03; 201.091, subdivision 9; 326A.04, subdivision 11; 645.071; Minnesota Rules, parts 7023.0150; 7023.0200; 7023.0250; 7023.0300."

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

Senator Newman from the Committee on Transportation Finance and Policy, to which was re-referred

S.F. No. 1154: A bill for an act relating to transportation; correcting cross-references; amending Minnesota Statutes 2020, sections 162.145, subdivision 3; 171.06, subdivision 3.

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

Delete everything after the enacting clause and insert:

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.

Subd. 3. Local Roads

(a) County State-Aid Highways	-0-	<u>65,794,000</u>
(b) Municipal State-Aid Streets	-0-	<u>11,401,000</u>

Sec. 3. Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. Multimodal Systems

(a) Aeronautics

(1) Airport Development and Assistance	24,198,000	18,598,000
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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.

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~~ 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.

The base is \$3,000,000 in fiscal year 2024 and \$11,000,000 in fiscal year 2025.

(d) Passenger Rail 10,500,000 ~~500,000~~ -0-

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.

(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.

Sec. 4. Laws 2021, First Special Session chapter 5, article 1, section 3, is amended to read:

Sec. 3. **METROPOLITAN COUNCIL**

Subdivision 1. Total Appropriation	\$	147,070,000	\$	<u>88,630,000</u> <u>78,630,000</u>
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The appropriations in this section are from the general fund to the Metropolitan Council.

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

Subd. 2. Transit System Operations		90,654,000		32,654,000 <u>22,654,000</u>
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This appropriation is for transit system operations under Minnesota Statutes, sections 473.371 to 473.449.

\$250,000 in fiscal year 2022 is for the zero-emission transit vehicle transition plan under Minnesota Statutes, section 473.3927.

\$250,000 in fiscal year 2022 is for an analysis of transit service improvements in the marked Trunk Highway 55 corridor from Medina to downtown Minneapolis. At a minimum, the analysis must include options for highway bus rapid transit service. The council must ensure that the analysis is performed in a manner that does not conflict with requirements for federal transit or transitway grants. The council may provide a grant to a local unit of government to perform the analysis. This appropriation is not available until the council determines that at least an equal amount is committed from nonstate sources.

\$57,500,000 in fiscal year 2022 is for arterial bus rapid transit projects, including but not limited to predesign, design, engineering, environmental analysis and mitigation, right-of-way acquisition, construction, and acquisition of rolling stock. This is a onetime appropriation and is available until June 30, 2025.

Subd. 3. Metro Mobility	56,416,000	55,976,000
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This appropriation is for Metro Mobility under Minnesota Statutes, section 473.386.

Sec. 5. Laws 2021, First Special Session chapter 5, article 1, section 4, subdivision 3, is amended to read:

Subd. 3. State Patrol

(a) Patrolling Highways	113,823,000	112,170,000 <u>112,535,000</u>
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Appropriations by Fund

	2022	2023
General	37,000	37,000
H.U.T.D.	92,000	92,000
		112,041,000
Trunk Highway	113,694,000	<u>112,406,000</u>

\$3,524,000 in fiscal year 2022 and \$2,822,000 in fiscal year 2023 are from the trunk highway fund for the purchase, deployment, and management of body-worn cameras.

\$7,718,000 in fiscal year 2022 and \$6,767,000 in fiscal year 2023 are from the trunk highway fund for staff and equipment costs of additional patrol troopers.

\$365,000 in fiscal year 2023 is for increased maintenance and other costs related to the purchase of additional and replacement state patrol aircraft.

(b) Commercial Vehicle Enforcement	10,180,000	10,046,000
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\$494,000 in fiscal year 2022 and \$360,000 in fiscal year 2023 are for the purchase,

deployment, and management of body-worn cameras.

(c) Capitol Security	20,610,000	16,667,000
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This appropriation is from the general fund.

\$449,000 in fiscal year 2022 and \$395,000 in fiscal year 2023 are for the purchase, deployment, and management of body-worn cameras.

\$8,863,000 in fiscal year 2022 and \$4,420,000 in fiscal year 2023 are for staff and equipment costs of additional troopers and nonsworn officers.

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	888,000	884,000
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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.

\$22,000 in fiscal year 2022 and \$18,000 in fiscal year 2023 are for the purchase, deployment, and management of body-worn cameras.

Sec. 6. Laws 2021, First Special Session chapter 5, article 1, section 4, subdivision 4, is amended to read:

Subd. 4. Driver and Vehicle Services

		39,685,000
(a) Driver Services	44,820,000	<u>42,017,000</u>

This appropriation is from the driver services operating account in the special revenue fund under Minnesota Statutes, section 299A.705, subdivision 2.

\$2,598,000 in each year is for costs to reopen all driver's license examination stations that were closed in 2020 due to the COVID-19 pandemic. This amount is not available for the public information center, general administration, or operational support. This is a onetime appropriation.

\$2,229,000 in fiscal year 2022 and \$155,000 in fiscal year 2023 are for costs of a pilot project for same-day issuance of drivers' licenses and state identification cards.

\$500,000 is for the installation and maintenance of security cameras at Driver and Vehicle Services exam sites. This is a onetime appropriation.

\$1,250,000 is for reimbursement to deputy registrars and driver's license agents for the purchase and installation of security cameras at deputy registrar or driver's license agent office locations. Deputy registrars and driver's license agents may submit applications to the commissioner for reimbursement of funds spent to purchase and install security cameras. When approving applications, the commissioner must prioritize offices that do not currently have security cameras installed. This is a onetime appropriation.

\$45,000 is for costs related to applications for veteran designations on driver's licenses and identification cards. This is a onetime appropriation.

\$108,000 is for administration and oversight costs related to online driver's education under Minnesota Statutes, section 171.395. The base for this appropriation is \$49,000 in each of fiscal years 2024 and 2025.

\$429,000 is for administration and oversight costs of the third-party road testing program for commercial driver's licenses under Minnesota Statutes, section 171.135. The base for this appropriation is \$390,000 in each of fiscal years 2024 and 2025.

The base is ~~\$36,398,000~~ \$36,837,000 in each of fiscal years 2024 and 2025.

(b) Vehicle Services	37,418,000	35,535,000 <u>31,334,000</u>
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Appropriations by Fund		
	2022	2023
H.U.T.D.	686,000	-0-
Special Revenue	36,732,000	35,535,000 <u>31,334,000</u>

The special revenue fund appropriation is from the vehicle services operating account under Minnesota Statutes, section 299A.705, subdivision 1.

\$200,000 in fiscal year 2022 is from the vehicle services operating account for the independent expert review of MnDRIVE under article 4, section 144, for expenses of the chair and the review team related to work completed pursuant to that section, including any contracts entered into. This is a onetime appropriation.

\$250,000 in fiscal year 2022 is from the vehicle services operating account for programming costs related to the implementation of self-service kiosks for vehicle registration renewal. This is a onetime appropriation and is available in fiscal year 2023.

The base is ~~\$33,788,000~~ \$29,587,000 in each of fiscal years 2024 and 2025.

Sec. 7. Laws 2021, First Special Session chapter 5, article 1, section 4, subdivision 5, is amended to read:

Subd. 5. Traffic Safety	8,477,000	<u>8,464,000</u> <u>12,464,000</u>
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Appropriations by Fund		
	2022	2023
General	7,983,000	<u>7,970,000</u> <u>11,970,000</u>
Trunk Highway	494,000	494,000

\$7,398,000 in fiscal year 2022 and ~~\$7,398,000~~ \$11,398,000 in fiscal year 2023 are from the general fund for grants to school districts, nonpublic schools, charter schools, and companies that provide school bus services, for the purchase and installation of school bus stop-signal arm camera systems. In awarding grants, the commissioner must prioritize: regular route type A, B, C, and D buses; newer buses; and buses that do not already have a stop-signal arm or forward-facing camera. Cameras purchased with grants awarded pursuant to this section must be used within the state. When implementing the grant program, the commissioner must require grant recipients to submit an estimate of the recipient's anticipated ongoing costs associated with the use of the cameras, including but not limited to costs for operating and maintaining the cameras, identifying violations, and methods for compiling video evidence of violations and providing the evidence to law enforcement. If the money in the account is sufficient to fund all requests, the commissioner must not require a local match. The commissioner may seek assistance from the commissioner of education in administering the grants. The base for this appropriation from the general fund is \$8,000,000 in fiscal year 2024 and \$0 in fiscal year 2025. ~~This is a onetime appropriation and~~ is available until June 30, 2025.

\$110,000 in fiscal year 2022 and \$94,000 in fiscal year 2023 are from the general fund for staff costs to administer grants for school bus stop-signal arm cameras. This is a onetime appropriation and is available until June 30, 2025.

~~The base for the general fund is \$478,000 in each of fiscal years 2024 and 2025.~~

Sec. 8. APPROPRIATION; COON RAPIDS; TRUNK HIGHWAY 610.

\$3,600,000 in fiscal year 2023 is appropriated from the trunk highway fund to the commissioner of transportation for one or more grants to the city of Coon Rapids or Anoka County for interchange improvements, including right-of-way acquisition and construction, at marked Trunk Highway 610 and County State-Aid Highway 1, East River Road, and the associated frontage roads, backage roads, connecting local streets, and any associated water and sanitary sewer infrastructure improvements if necessary or required for the construction of the interchange improvements. This appropriation is for the portion of the project that is eligible for use of trunk highway funds. This appropriation does not require a nonstate contribution. This is a onetime appropriation and is available until June 30, 2025.

Sec. 9. APPROPRIATION; FREIGHT RAIL CAR STORAGE FACILITY.

\$750,000 in fiscal year 2023 is appropriated from the rail service improvement account in the special revenue fund under Minnesota Statutes, section 222.49, to the commissioner of transportation for a grant to the city of Lakeville for planning, preliminary engineering, and environmental analysis of a freight rail car storage facility in Lakeville. This is a onetime appropriation.

Sec. 10. APPROPRIATION; INTERSTATE 35 AND DAKOTA COUNTY STATE-AID HIGHWAY 50 INTERCHANGE.

\$42,000,000 in fiscal year 2023 is appropriated from the trunk highway fund to the commissioner of transportation for predesign, design, engineering, and construction of the interchange at marked Interstate 35 and Dakota County State-Aid Highway 50 in Lakeville. This appropriation is for the portion of the project that is eligible for use of trunk highway funds. This appropriation does not require a nonstate contribution. This is a onetime appropriation and is available until June 30, 2025.

Sec. 11. APPROPRIATION; INTERSTATE HIGHWAY 35 AND 400TH STREET INTERCHANGE, NORTH BRANCH.

\$1,500,000 in fiscal year 2023 is appropriated from the trunk highway fund to the commissioner of transportation for a grant to the city of North Branch for predesign, design, and right-of-way acquisition to construct an interchange at Interstate Highway 35 and 400th Street in the city of North Branch. This appropriation is for the portion of the project that is eligible for use of trunk highway funds. This is a onetime appropriation and is available until June 30, 2025.

Sec. 12. APPROPRIATION; INTERSTATE 94 EXPANSION.

\$33,000,000 in fiscal year 2023 is appropriated from the trunk highway fund to the commissioner of transportation to construct a third travel lane in each direction of marked Interstate Highway 94 from the interchange with County State-Aid Highway 19 in the city of Albertville to the interchange with marked Trunk Highway 25 in the city of Monticello. This is a onetime appropriation and is available until June 30, 2025.

Sec. 13. **APPROPRIATION; OAKDALE NOISE BARRIER.**

\$5,500,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of transportation to design and construct a noise barrier on the east side of marked Interstate Highway 694 in Oakdale between the intersection with 15th Street North and the intersection with Stillwater Boulevard North. Where there are existing berms or other noise barriers on this segment of road, no additional noise barrier is required. This is a onetime appropriation.

Sec. 14. **APPROPRIATION; OFFICE OF TRAFFIC SAFETY.**

\$19,000 in fiscal year 2023 is appropriated from the driver and vehicle services technology account in the special revenue fund to the commissioner of public safety for the cost of records access enhancements to the MNCrash information technology system. This is a onetime appropriation.

Sec. 15. **APPROPRIATION; STATE PATROL AIRCRAFT.**

(a) \$38,000,000 is appropriated in fiscal year 2023 from the general fund to the commissioner of public safety to purchase three twin-engine helicopters for the State Patrol. This is a onetime appropriation and is available until June 30, 2024.

(b) \$7,100,000 is appropriated in fiscal year 2023 from the general fund to the commissioner of public safety to purchase three airplanes for the State Patrol. This is a onetime appropriation and is available until June 30, 2024.

(c) The proceeds from the sale of an aircraft purchased under paragraph (a) or (b) must be credited to the general fund.

Sec. 16. **APPROPRIATION; TRUNK HIGHWAY 23 INTERCHANGE.**

(a) \$500,000 in fiscal year 2023 is appropriated from the trunk highway fund to the commissioner of transportation to study options for the intersection of marked Trunk Highway 9 and marked Trunk Highway 23 in the city of New London. The study must determine if an underpass, overpass, or tunnel is the best option for improving the safety of the intersection. The study must not consider a J-turn as an option. This is a onetime appropriation.

(b) \$29,100,000 in fiscal year 2023 is appropriated from the trunk highway fund to the commissioner of transportation to make safety improvements to the intersection of marked Trunk Highway 9 and marked Trunk Highway 23, including predesign, design, engineering, and construction of an underpass, overpass, or tunnel as determined by the study in paragraph (a). This appropriation must not be used for a J-turn at the intersection. This is a onetime appropriation and is available until June 30, 2025.

Sec. 17. **APPROPRIATION; TRUNK HIGHWAY 50 SAFETY IMPROVEMENTS.**

\$10,000,000 in fiscal year 2023 is appropriated from the trunk highway fund to the commissioner of transportation for a grant to Dakota County for predesign, design, engineering, and construction of safety improvements on marked Trunk Highway 50 between U.S. Highway 52 and U.S. Highway 61. This project includes improvement and restoration of pavement structure, drainage improvements, culvert replacement, ensuring a traversable safety slope, and reconstructing the intersections with County State-Aid Highway 85 and Hogan Avenue for pedestrian safety and compliance with the Americans with Disabilities Act. This appropriation is for the portions of the project that are eligible for use of trunk highway funds. This appropriation does not require a nonstate contribution. This is a onetime appropriation and is available until June 30, 2025.

Sec. 18. APPROPRIATION; U.S. HIGHWAY 52 INTERCHANGE AT DAKOTA COUNTY STATE-AID HIGHWAY 66.

\$15,000,000 in fiscal year 2023 is appropriated from the trunk highway fund to the commissioner of transportation for predesign, design, engineering, and construction of an interchange in the vicinity of County State-Aid Highway 66 and County Road 62 at their intersections with U.S. Highway 52 in Vermillion Township. This appropriation is for the portion of the project that is eligible for use of trunk highway funds. This appropriation does not require a nonstate contribution. This is a onetime appropriation and is available until June 30, 2025.

Sec. 19. APPROPRIATION; TRUNK HIGHWAY 65 IMPROVEMENTS.

\$15,000,000 in fiscal year 2023 is appropriated from the trunk highway fund to the commissioner of transportation for one or more grants to the city of Blaine for the predesign, right-of-way acquisition, design, engineering, and construction of intersection improvements along Trunk Highway 65 at 99th Avenue Northeast and the associated frontage roads and backage roads within the trunk highway system. This appropriation is for the portion of the project that is eligible for use of trunk highway funds. This appropriation does not require a nonstate contribution. This is a onetime appropriation and is available until June 30, 2025.

Sec. 20. APPROPRIATION; TRUNK HIGHWAY 73.

\$43,000,000 in fiscal year 2023 is appropriated from the trunk highway fund to the commissioner of transportation for engineering, right-of-way acquisition, and construction to realign portions of marked Trunk Highway 73 south of the city of Cromwell. This is a onetime appropriation and is available until June 30, 2025.

Sec. 21. APPROPRIATION; TRUNK HIGHWAY 74.

\$488,000 in fiscal year 2023 is appropriated from the trunk highway fund to the commissioner of transportation to use Otta seal to regrade 3.9 miles of marked Trunk Highway 74 north of Elba to Winona County State-Aid Highway 30 in Winona County, including design, engineering, construction, and acquisition of right-of-way. This is a onetime appropriation and is available until June 30, 2025.

Sec. 22. APPROPRIATION; U.S. HIGHWAY 169 AND SCOTT COUNTY STATE-AID HIGHWAY 9 INTERCHANGE.

\$4,200,000 in fiscal year 2023 is appropriated from the trunk highway fund to the commissioner of transportation for a grant to Scott County, the city of Jordan, or both 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, including bicycle and pedestrian accommodations, bridge construction, and road construction. This appropriation is for the portion of the project that is eligible for use of trunk highway funds. This is a onetime appropriation and is available until June 30, 2025.

Sec. 23. APPROPRIATION; TRUNK HIGHWAY 610 AND INTERSTATE HIGHWAY 94 INTERCHANGE.

\$22,000,000 in fiscal year 2023 is appropriated from the trunk highway fund to the commissioner of transportation to acquire right-of-way, design, engineer, and construct roadway connections for the interchange at marked Trunk Highway 610 and marked Interstate Highway 94 in Maple Grove. This appropriation does not require a nonstate match. This is a onetime appropriation and is available until June 30, 2025.

Sec. 24. APPROPRIATION; WATER AND LIGHTING INFRASTRUCTURE; MADISON LAKE.

\$510,000 in fiscal year 2023 is appropriated from the trunk highway fund to the commissioner of transportation to predesign, design, construct, furnish, and equip water infrastructure and lighting along the Trunk Highway 60 corridor in the city of Madison Lake. This appropriation does not require a nonstate match.

Sec. 25. ESTABLISHMENT OF BASE; STATE AND LOCAL ROADS.

(a) The base from the trunk highway fund for state road construction in the Department of Transportation is \$1,377,641,000 in fiscal year 2024 and \$1,408,325,000 in fiscal year 2025.

(b) The base from the trunk highway fund for corridors of commerce in the Department of Transportation is \$87,500,000 in fiscal year 2024 and \$115,000,000 in fiscal year 2025.

(c) The base from the county state-aid highway fund for county state-aid highways in the Department of Transportation is \$1,010,019,000 in fiscal year 2024 and \$1,046,194,000 in fiscal year 2025.

(d) The base from the municipal state-aid street fund for municipal state-aid streets in the Department of Transportation is \$248,357,000 in fiscal year 2024 and \$257,192,000 in fiscal year 2025.

ARTICLE 2

FEDERAL TRANSPORTATION FUNDING

Section 1. **APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are added to the appropriations in Laws 2021, First Special Session chapter 5, article 1, and to the appropriations in article 1 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. The figures "2022" and "2023" used in this article mean that the addition to the appropriations listed under them is available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. Supplemental appropriations for the fiscal year ending June 30, 2022, are effective the day following final enactment.

APPROPRIATIONS
Available for the Year
Ending June 30
2022 **2023**

Sec. 2. DEPARTMENT OF TRANSPORTATION

Subdivision 1. Total Appropriation **\$** **265,262,000** **\$** **330,197,000**

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>36,600,000</u>	<u>36,600,000</u>
<u>C.S.A.H.</u>	<u>24,896,000</u>	<u>42,418,000</u>
<u>M.S.A.S.</u>	<u>6,540,000</u>	<u>11,142,000</u>
<u>Trunk Highway</u>	<u>197,226,000</u>	<u>240,037,000</u>

The appropriations in this section are to the commissioner of transportation for the match requirement for formula and discretionary grant programs enacted in the federal Infrastructure Investment and Jobs Act (IIJA).

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

The commissioner must not spend appropriations from the trunk highway fund in this section for the Office of Transit and Active Transportation; Office of Aeronautics; passenger rail; tourist information centers; parades, events, or sponsorship of events; or public electric vehicle infrastructure.

Subd. 2. State Roads

(a) Operations and Maintenance **4,000,000** **7,475,000**

The base is \$375,581,000 in fiscal year 2024 and \$376,398,000 in fiscal year 2025.

<u>(b) State Road Construction</u>	<u>193,226,000</u>	<u>232,562,000</u>
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Subd. 3. Local Roads

<u>(a) County State-Aid Highways</u>	<u>24,896,000</u>	<u>42,418,000</u>
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<u>(b) Municipal State-Aid Streets</u>	<u>6,540,000</u>	<u>11,142,000</u>
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Subd. 4. Multimodal Match for Formula and Discretionary Programs Enacted in Federal IJA

The appropriations in this subdivision are for multimodal match funding and discretionary funding related to the federal Infrastructure Investment and Jobs Act (IIJA).

From these amounts, the commissioner may make grants to local units of government for the match requirement for IJA discretionary grant programs.

Any unspent portion of the appropriations remaining after match requirements are met for grant programs listed in this subdivision must be transferred to the highway user tax distribution fund.

These appropriations are available for three years after the year of the appropriation.

<u>(a) Greater Minnesota Transit</u>	<u>7,000,000</u>	<u>7,000,000</u>
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This appropriation is from the general fund for the match requirement for Federal Transit Administration formula and discretionary transit grant programs under the IJA. This appropriation must not be used for guideway projects, as defined in Minnesota Statutes, section 473.4485.

<u>(b) Metropolitan Area Transit</u>	<u>10,000,000</u>	<u>10,000,000</u>
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\$10,000,000 in each year is from the general fund for transfer to the Metropolitan Council for the match requirement for Federal Transit Administration formula and discretionary transit grant programs under the IJA. The amount transferred to the Metropolitan Council must not be used for guideway

projects, as defined in Minnesota Statutes, section 473.4485.

<u>(c) Aeronautics</u>	<u>6,500,000</u>	<u>6,500,000</u>
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This appropriation is from the general fund for the match requirement for Federal Aviation Administration formula and discretionary grant programs under the IJJA.

<u>(d) Other Multimodal Grant Programs</u>	<u>13,100,000</u>	<u>13,100,000</u>
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This appropriation is from the general fund and must not be used as match funding for grants under the following discretionary grant programs: the Federal-State Partnership for Intercity Passenger Rail Grant Program; the Restoration and Enhancement Grant Program; the Capital Investment Grants Program; Research, Development, Demonstration and Deployment Projects; the Pilot Program for Transit-Oriented Development Planning; the Electric or Low-Emitting Ferry Pilot Program; the Reconnecting Communities Pilot Program; and the Wildlife Crossings Pilot Program. This appropriation must not be used as match funding for guideway projects as defined in Minnesota Statutes, section 473.4485, or for passenger rail projects. The commissioner of transportation must immediately report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance when an application is submitted to the United States Department of Transportation for IJJA-related discretionary grant funding.

Sec. 3. ELECTRIC VEHICLE INFRASTRUCTURE PROGRAM REQUIREMENTS.

Subdivision 1. Match requirements. The required match funding for electric vehicle infrastructure formula or discretionary grant programs related to the federal Infrastructure Investment and Jobs Act (IJJA) must be committed only from nonstate sources.

Subd. 2. Rest areas. The commissioner of transportation must spend no more than 25 percent of federal funds from IJJA-related electric vehicle infrastructure formula or discretionary grant programs on projects located at rest areas.

Subd. 3. **Regional balance.** Projects funded through IJIA-related electric vehicle infrastructure formula or discretionary grant programs must be regionally balanced throughout the state as much as allowable under federal law.

Subd. 4. **Alternative fuel corridors.** By November 1, 2023, the commissioner of transportation must request that the United States Federal Highway Administration certify that the designated alternative fuel corridors for electric vehicles in Minnesota are fully built out as of that date.

Sec. 4. **FEDERAL FUNDS REPORTING.**

Subdivision 1. **Federal document submission.** Within 30 days of submission to a federal agency of a required report or plan under the federal Infrastructure Investment and Jobs Act, the commissioner of transportation or the chair of the Metropolitan Council must submit the report or plan to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy.

Subd. 2. **Report on use of federal funds.** By February 1 and September 1 of each year, the commissioner of transportation and chair of the Metropolitan Council must report all expenditures made related to the Infrastructure Investment and Jobs Act to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy. The report must include the total amount of each expenditure, the purpose of each expenditure, and any additional information the commissioner and chair determine is necessary to properly document each expenditure. The report must also include information on expenditures that are planned or anticipated before the submission of the next semiannual report under this subdivision. The report requirement under this subdivision expires June 30, 2027.

Sec. 5. **HIGHWAY USER TAX DISTRIBUTION FUND; TRANSFER.**

The commissioner of revenue must transfer from the general fund to the highway user tax distribution fund \$6,373,667 monthly in fiscal year 2022 and \$10,859,667 monthly in fiscal year 2023. The commissioner must transfer from the general fund to the highway user tax distribution fund \$11,927,167 monthly in fiscal year 2024 and \$13,083,000 monthly in fiscal year 2025 and each fiscal year thereafter.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2021.

Sec. 6. **RECONNECT RONDO PROJECT; PROHIBITION.**

Subdivision 1. **Definition.** For purposes of this section, "ReConnect Rondo project" means the proposed land bridge or freeway cap over Interstate 94 between Chatsworth Street and Grotto Street in the city of Saint Paul.

Subd. 2. **Commissioner of transportation.** The commissioner of transportation must not expend any money for study, planning, preliminary engineering, final design, or construction for the ReConnect Rondo project. This prohibition includes grants to other entities, the expenditure of federal money, and any previous unexpended appropriations made for this purpose.

Subd. 3. **Metropolitan Council.** The Metropolitan Council must not expend any money for study, planning, preliminary engineering, final design, or construction for the ReConnect Rondo

project. This prohibition includes grants to other entities, the expenditure of federal money, and any previous unexpended appropriations made for this purpose.

Sec. 7. SOURCE OF FEDERAL MATCH FUNDING; INFRASTRUCTURE INVESTMENT AND JOBS ACT.

The commissioner of transportation must not expend money for federal match funding related to formula and discretionary grant programs under Public Law 117-58, otherwise known as the federal Infrastructure Investment and Jobs Act, except pursuant to a direct appropriation specifically for this purpose.

Sec. 8. SUSPENSION OF STATUTORY APPROPRIATION; INFRASTRUCTURE INVESTMENT AND JOBS ACT.

Notwithstanding Minnesota Statutes, sections 3.3005 and 4.07, federal funds received by the state of Minnesota from its allocations or grant awards administered by the United States Department of Transportation under Public Law 117-58 must not be spent except pursuant to a direct appropriation by law.

Sec. 9. EFFECTIVE DATE.

Except where otherwise specified, this article is effective the day following final enactment.

ARTICLE 3

BOND APPROPRIATIONS

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 state agencies or officials indicated 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

<u>Department of Transportation</u>	\$	<u>299,349,000</u>
<u>Department of Management and Budget</u>	\$	<u>300,000</u>
<u>TOTAL</u>	\$	<u>299,649,000</u>

APPROPRIATIONS

Sec. 2. DEPARTMENT OF TRANSPORTATION

Subdivision 1. Total Appropriation**\$ 299,349,000**

(a) This appropriation is to the commissioner of transportation for the purposes specified in this section.

(b) This appropriation is available in the amounts of:

(1) \$149,349,000 in fiscal year 2024; and

(2) \$150,000,000 in fiscal year 2025.

(c) The commissioner may use up to 17 percent of the amount for program delivery.

(d) The appropriation in this subdivision cancels as specified under Minnesota Statutes, section 16A.642, except that the commissioner of management and budget must count the start of authorization for issuance of state bonds as the first day of the fiscal year during which the bonds are available to be issued as specified under paragraph (b), and not as the date of enactment of this section.

Subd. 2. Oslo Area Flood Mitigation**\$ 20,000,000**

(a) This appropriation is available in fiscal year 2024 for phase 1 of the Oslo area flood mitigation project as follows:

(1) \$17,450,000 for reconstruction or replacement of the marked Trunk Highway 1 bridge over the Red River at Oslo and the border with North Dakota, which may include approach work on marked Trunk Highway 1; and

(2) \$2,550,000 for reconstruction or replacement of the marked Trunk Highway 317 bridge over the Red River in Marshall County at the border with North Dakota.

(b) The appropriation under this subdivision is available for predesign, design, preliminary and final engineering, environmental

analysis, right-of-way acquisition, and construction, including demolition.

(c) The appropriation under this subdivision is for the Minnesota share of project costs and must only be used for acquisition, betterment, and improvement within Minnesota.

Subd. 3. Olmsted County; U.S. Highway 14 and County State-Aid Highway 44

\$ 17,460,000

This appropriation is available in fiscal year 2024 to acquire property and to conduct environmental analysis, predesign, design, engineer, acquire right-of-way, construct, furnish, and equip an interchange at marked U.S. Highway 14 and County State-Aid Highway 44, including the flyover at 7th Street NW, in Olmsted County and associated infrastructure and road work to accommodate the interchange.

Subd. 4. Marked Trunk Highway 95 Improvements

\$ 6,200,000

This appropriation is available in fiscal year 2024 for a grant to the city of Cambridge for land acquisition, demolition, predesign, design, engineering, and construction of improvements to marked Trunk Highway 95, including but not limited to expansion to a four-lane at-grade segment from approximately Fillmore Street to Birch Street in the city of Cambridge. This appropriation is for the portion of the project that is eligible for use of proceeds of trunk highway bonds.

Subd. 5. Becker Interchange Project

\$ 1,869,000

This appropriation is available in fiscal year 2024 to prepare final design, conduct site preparation work, and acquire right-of-way for an interchange to be constructed at marked U.S. Highway 10, marked Trunk Highway 25, Sherburne County State-Aid Highway 8, and Sherburne County Road 52 in the city of Becker and Becker Township. This appropriation is for expenses eligible to be paid from trunk highway bond proceeds.

Subd. 6. Trunk Highway 24 Intersection Improvements**\$ 2,420,000**

This appropriation is available in fiscal year 2024 for intersection improvements at marked Trunk Highway 24 in the city of Annandale and for a grant to the city of Annandale, Corinna Township, or both for road improvements on Hemlock Street from marked Trunk Highway 24 to Wright County State-Aid Highway 6 in the city of Annandale and Corinna Township. This appropriation may be used by the commissioner, city, or township for acquisition of right-of-way, design, engineering, and construction of roadway improvements.

Subd. 7. Sherburne County; Zimmerman Interchange**\$ 16,400,000**

This appropriation is available in fiscal year 2024 for property acquisition, engineering, and construction of the trunk highway portions of an interchange at marked U.S. Highway 169 and Sherburne County State-Aid Highway 4 in the city of Zimmerman.

Subd. 8. Trunk Highway 23 Reconstruction**\$ 85,000,000**

This appropriation is available in fiscal year 2024 for predesign, design, engineering, and reconstruction of marked Trunk Highway 23 from U.S. Highway 75 in the city of Pipestone to 1.8 miles north of marked Trunk Highway 91 in the city of Russell.

Subd. 9. U.S. Highway 169 Safety Improvements**\$ 150,000,000**

This appropriation is available in fiscal year 2025 for improvement and expansion of marked U.S. Highway 169 between Taconite and Pengilly. This appropriation may be used by the commissioner to conduct environmental analysis, planning, predesign, design, engineering, right-of-way acquisition, and construction of the roadway.

Sec. 3. **BOND SALE EXPENSES****\$** **300,000**

(a) 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.

(b) This appropriation is available in the amounts of:

(1) \$150,000 in fiscal year 2024; and

(2) \$150,000 in fiscal year 2025.

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 \$299,649,000 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 4**DEPARTMENT OF PUBLIC SAFETY**

Section 1. Minnesota Statutes 2020, section 3.9741, subdivision 5, is amended to read:

Subd. 5. **State Data security; account; appropriation.** ~~(a)~~ The data security account is created in the special revenue fund. Receipts credited to the account are appropriated to the legislative auditor for the purpose of oversight relating to security of data stored and transmitted by state systems.

~~(b) Subject to available funds appropriated under paragraph (a), the legislative auditor shall:~~

~~(1) review and audit the audit reports of subscribers and requesters submitted under section 168.327, subdivision 6, including producing findings and opinions;~~

~~(2) in collaboration with the commissioner and affected subscribers and requesters, recommend corrective action plans to remediate any deficiencies identified under clause (1); and~~

~~(3) review and audit driver records subscription services and bulk data practices of the Department of Public Safety, including identifying any deficiencies and making recommendations to the commissioner.~~

~~(c) The legislative auditor shall submit any reports, findings, and recommendations under this subdivision to the legislative commission on data practices.~~

Sec. 2. Minnesota Statutes 2020, section 168.013, subdivision 1m, is amended to read:

Subd. 1m. ~~Electric~~ **All-electric vehicle.** (a) In addition to the tax under subdivision 1a, a surcharge of ~~\$75~~ \$229 is imposed for an all-electric vehicle, as defined in section 169.011, subdivision 1a. Notwithstanding subdivision 8, revenue from the fee imposed under this subdivision must be deposited in the highway user tax distribution fund.

(b) If the gasoline excise tax imposed by section 296A.07, subdivision 3, clause (3), is increased or decreased, the surcharge under paragraph (a) must be increased or decreased, respectively, by a corresponding percentage. The commissioner must collect the adjusted surcharge amount under this paragraph on vehicle registrations occurring on or after the effective date of the gasoline excise tax adjustment.

Sec. 3. Minnesota Statutes 2020, section 168.013, is amended by adding a subdivision to read:

Subd. 1n. **Plug-in hybrid electric vehicle.** (a) In addition to the tax under subdivision 1a, a surcharge of \$114.50 is imposed for a plug-in hybrid electric vehicle as defined in section 169.011, subdivision 54a. Notwithstanding subdivision 8, revenue from the fee imposed under this subdivision must be deposited in the highway user tax distribution fund.

(b) If the gasoline excise tax imposed by section 296A.07, subdivision 3, clause (3), is increased or decreased, the surcharge under paragraph (a) must be increased or decreased, respectively, by a corresponding percentage. The commissioner must collect the adjusted surcharge amount under this paragraph on vehicle registrations occurring on or after the effective date of the gasoline excise tax adjustment.

Sec. 4. Minnesota Statutes 2020, section 168.013, is amended by adding a subdivision to read:

Subd. 1o. **All-electric motorcycle.** (a) In addition to the tax under subdivision 1b, a surcharge of \$46 is imposed for an all-electric motorcycle as defined in section 169.011, subdivision 1b. Notwithstanding subdivision 8, revenue from the fee imposed under this subdivision must be deposited in the highway user tax distribution fund.

(b) If the gasoline excise tax imposed by section 296A.07, subdivision 3, clause (3), is increased or decreased, the surcharge under paragraph (a) must be increased or decreased, respectively, by a corresponding percentage. The commissioner must collect the adjusted surcharge amount under this paragraph on motorcycle registrations occurring on or after the effective date of the gasoline excise tax adjustment.

Sec. 5. Minnesota Statutes 2020, section 168.013, is amended by adding a subdivision to read:

Subd. 1p. **Plug-in hybrid electric motorcycle.** (a) In addition to the tax under subdivision 1b, a surcharge of \$23 is imposed for a plug-in hybrid electric motorcycle as defined in section 169.011, subdivision 54c. Notwithstanding subdivision 8, revenue from the fee imposed under this subdivision must be deposited in the highway user tax distribution fund.

(b) If the gasoline excise tax imposed by section 296A.07, subdivision 3, clause (3), is increased or decreased, the surcharge under paragraph (a) must be increased or decreased, respectively, by a corresponding percentage. The commissioner must collect the adjusted surcharge amount under this

paragraph on motorcycle registrations occurring on or after the effective date of the gasoline excise tax adjustment.

Sec. 6. Minnesota Statutes 2020, section 168.123, subdivision 2, is amended to read:

Subd. 2. **Design.** The commissioner of veterans affairs ~~shall~~ must design the emblem for the veterans' special plates, subject to the approval of the commissioner, that satisfy the following requirements:

(a) For a Vietnam veteran who served after July 1, 1961, and before July 1, 1978, in the active military service in a branch of the armed forces of the United States or a nation or society allied with the United States the special plates must bear the inscription "VIETNAM VET."

(b) For a veteran stationed on the island of Oahu, Hawaii, or offshore, during the attack on Pearl Harbor on December 7, 1941, the special plates must bear the inscription "PEARL HARBOR SURVIVOR."

(c) For a veteran who served during World War II, the plates must bear the inscription "WORLD WAR VET."

(d) For a veteran who served during the Korean Conflict, the special plates must bear the inscription "KOREAN VET."

(e) For a combat wounded veteran who is a recipient of the Purple Heart medal, the plates must bear the inscription "COMBAT WOUNDED VET" and have a facsimile or an emblem of the official Purple Heart medal.

A member of the United States armed forces who is serving actively in the military and who is a recipient of the Purple Heart medal is also eligible for this license plate. The commissioner of public safety ~~shall~~ must ensure that information regarding the required proof of eligibility for any applicant under this paragraph who has not yet been issued military discharge papers is distributed to the public officials responsible for administering this section.

(f) For a Persian Gulf War veteran, the plates must bear the inscription "GULF WAR VET." For the purposes of this section, "Persian Gulf War veteran" means a person who served on active duty after August 1, 1990, in a branch of the armed forces of the United States or a nation or society allied with the United States or the United Nations during Operation Desert Shield, Operation Desert Storm, or other military operation in the Persian Gulf area combat zone as designated in United States Presidential Executive Order No. 12744, dated January 21, 1991.

(g) For a veteran who served in the Laos War after July 1, 1961, and before July 1, 1978, the special plates must bear the inscription "LAOS WAR VET."

(h) For a veteran who is the recipient of:

(1) the Iraq Campaign Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "IRAQ WAR VET" directly below the special plate number;

(2) the Afghanistan Campaign Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "AFGHAN WAR VET" directly below the special plate number;

(3) the Global War on Terrorism Expeditionary Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "GWOT VETERAN" directly below the special plate number; or

(4) the Armed Forces Expeditionary Medal, the special plates must bear an appropriate inscription that includes a facsimile of that medal.

(i) For a veteran who is the recipient of the Global War on Terrorism Service Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "GWOT VETERAN" directly below the special plate number. In addition, any member of the National Guard or other military reserves who has been ordered to federally funded state active service under United States Code, title 32, as defined in section 190.05, subdivision 5b, and who is the recipient of the Global War on Terrorism Service Medal, is eligible for the license plate described in this paragraph, irrespective of whether that person qualifies as a veteran under section 197.447.

(j) For a veteran who is the recipient of the Korean Defense Service Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "KOREAN DEFENSE SERVICE" directly below the special plate number.

(k) For a veteran who is a recipient of the Bronze Star medal, the plates must bear the inscription "BRONZE STAR VET" and have a facsimile or an emblem of the official Bronze Star medal.

(l) For a veteran who is a recipient of the Silver Star medal, the plates must bear the inscription "SILVER STAR VET" and have a facsimile or an emblem of the official Silver Star medal.

(m) For a veteran who is the recipient of the Air Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "AIR MEDAL VETERAN" directly below the special plate number.

~~(m)~~ (n) For a woman veteran, the plates must bear the inscription "WOMAN VETERAN" and have a facsimile or an emblem as designated by the commissioners of veterans affairs and public safety.

EFFECTIVE DATE. This section is effective January 1, 2023, and applies to Air Medal veteran special license plates issued on or after that date.

Sec. 7. Minnesota Statutes 2020, section 168.1235, subdivision 1, is amended to read:

Subdivision 1. **General requirements; fees.** (a) The commissioner ~~shall~~ must issue a special plate emblem for each plate to an applicant who:

(1) is a member of a congressionally chartered veterans service organization and is a registered owner of a passenger automobile, pickup truck, van, or self-propelled recreational vehicle;

(2) pays the registration tax required by law;

(3) pays a fee in the amount specified for special plates under section 168.12, subdivision 5, for each set of two plates, and any other fees required by this chapter; and

(4) complies with this chapter and rules governing the registration of motor vehicles and licensing of drivers.

(b) The additional fee is payable at the time of initial application for the special plate emblem and when the plates must be replaced or renewed. An applicant must not be issued more than two sets of special plate emblems for motor vehicles listed in paragraph (a) and registered to the applicant.

(c) The applicant must present a valid card indicating membership in the American Legion ~~or~~, Veterans of Foreign Wars, or Disabled American Veterans.

Sec. 8. Minnesota Statutes 2020, section 168.1253, subdivision 3, is amended to read:

Subd. 3. **No fee.** The commissioner ~~shall~~ must issue a set of Gold Star plates, or a single plate for a motorcycle, to an eligible person free of charge, and ~~shall~~ must replace the plate or plates without charge if they become damaged. If the eligible person requests personalized Gold Star plates, the commissioner must not charge the fees listed in section 168.12, subdivision 2a.

Sec. 9. [168.1258] MINNESOTA VIKINGS FOUNDATION SPECIAL PLATES.

Subdivision 1. **Issuance of plates.** The commissioner must issue Minnesota Vikings Foundation special plates or a single motorcycle plate to an applicant who:

(1) is a registered owner of a passenger automobile, noncommercial one-ton pickup truck, motorcycle, or recreational vehicle;

(2) pays an additional fee in the amount specified for special plates under section 168.12, subdivision 5;

(3) pays the registration tax as required under section 168.013;

(4) pays the fees required under this chapter;

(5) contributes a minimum of \$30 annually to the Minnesota Vikings Foundation account; and

(6) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

Subd. 2. **Design.** In consultation with the Minnesota Vikings Foundation, the commissioner must adopt a suitable plate design that includes the Minnesota Vikings Foundation's marks and colors.

Subd. 3. **Plates transfer.** On application to the commissioner and payment of a transfer fee of \$5, special plates issued under this section may be transferred to another motor vehicle if the subsequent vehicle is:

(1) qualified under subdivision 1, clause (1), to bear the special plates; and

(2) registered to the same individual to whom the special plates were originally issued.

Subd. 4. **Contributions; account; appropriation.** Contributions collected under subdivision 1, clause (5), must be deposited in the Minnesota Vikings Foundation account, which is established in the special revenue fund. Money in the account is appropriated to the commissioner of public safety. This appropriation is first for the annual cost of administering the account funds, and the remaining funds are for distribution to the Minnesota Vikings Foundation to advance the well-being of youth through engaging health and education initiatives.

EFFECTIVE DATE. This section is effective January 1, 2023, for Minnesota Vikings Foundation special plates issued on or after that date.

Sec. 10. **[168.1259] MINNESOTA PROFESSIONAL SPORTS TEAM FOUNDATION PLATES.**

Subdivision 1. **Definition.** For purposes of this section, "Minnesota professional sports team" means one of the following teams while its home stadium is located in Minnesota: Minnesota Vikings, Minnesota Timberwolves, Minnesota Lynx, Minnesota Wild, Minnesota Twins, or Minnesota United.

Subd. 2. **General requirements and procedures.** (a) The commissioner must issue Minnesota professional sports team foundation plates to an applicant who:

(1) is a registered owner of a passenger automobile, noncommercial one-ton pickup truck, motorcycle, or recreational vehicle;

(2) pays an additional fee in the amount specified for special plates under section 168.12, subdivision 5;

(3) pays the registration tax required under section 168.013;

(4) pays the fees required under this chapter;

(5) contributes a minimum of \$30 annually to the professional sports team foundations account; and

(6) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

(b) Minnesota professional sports team foundation plates may be personalized according to section 168.12, subdivision 2a.

Subd. 3. **Design.** At the request of a Minnesota professional sports team's foundation, the commissioner must, in consultation with the foundation, adopt a suitable plate design incorporating the foundation's marks and colors. The commissioner may design a single plate that incorporates the marks and colors of all foundations that have requested a plate.

Subd. 4. **Plate transfers.** On application to the commissioner and payment of a transfer fee of \$5, special plates issued under this section may be transferred to another motor vehicle if the subsequent vehicle is:

(1) qualified under subdivision 2, clause (1), to bear the special plates; and

(2) registered to the same individual to whom the special plates were originally issued.

Subd. 5. **Contribution and fees credited.** Contributions collected under subdivision 2, clause (5), must be deposited in the Minnesota professional sports team foundations account, which is established in the special revenue fund. Money in the account is appropriated to the commissioner of public safety. This appropriation is first for the annual cost of administering the account funds, and the remaining funds are for distribution to the foundations in proportion to the total number of Minnesota professional sports team foundation plates issued for that year. Proceeds from a plate that includes the marks and colors of all foundations must be divided evenly between all foundations. The foundations must only use the proceeds for philanthropic or charitable purposes.

EFFECTIVE DATE. This section is effective January 1, 2023, for Minnesota professional sports team foundation special plates issued on or after that date.

Sec. 11. **[168.1287] MINNESOTA MISSING AND MURDERED INDIGENOUS RELATIVES SPECIAL LICENSE PLATES.**

Subdivision 1. **Issuance of plates.** The commissioner must issue Minnesota missing and murdered Indigenous relatives special license plates or a single motorcycle plate to an applicant who:

(1) is a registered owner of a passenger automobile, noncommercial one-ton pickup truck, motorcycle, or recreational vehicle;

(2) pays an additional fee in the amount specified for special plates under section 168.12, subdivision 5;

(3) pays the registration tax as required under section 168.013;

(4) pays the fees required under this chapter;

(5) contributes a minimum of \$20 annually to the Minnesota missing and murdered Indigenous relatives account; and

(6) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

Subd. 2. **Design.** In consultation with the Office of Missing and Murdered Indigenous Relatives, the commissioner must adopt a suitable plate design that includes a red handprint to one side, a partial ribbon skirt toward the bottom corner, and reads "Missing and Murdered Indigenous Relatives" or "MMIR."

Subd. 3. **Plates transfer.** On application to the commissioner and payment of a transfer fee of \$5, special plates issued under this section may be transferred to another motor vehicle if the subsequent vehicle is:

(1) qualified under subdivision 1, clause (1), to bear the special plates; and

(2) registered to the same individual to whom the special plates were originally issued.

Subd. 4. **Exemption.** Special plates issued under this section are not subject to section 168.1293, subdivision 2.

Subd. 5. **Contributions; account; appropriation.** Contributions collected under subdivision 1, clause (5), must be deposited in the Minnesota missing and murdered Indigenous relatives account, which is established in the special revenue fund. Money in the account is appropriated to the commissioner of public safety. This appropriation is first for the annual cost of administering the account funds, and the remaining funds are for distribution to the Office of Missing and Murdered Indigenous Relatives for investigation of unsolved cases and to establish a reward fund for information relating to missing and murdered Indigenous relatives.

EFFECTIVE DATE. This section is effective January 1, 2023, for Minnesota missing and murdered Indigenous relatives special plates issued on or after that date.

Sec. 12. Minnesota Statutes 2020, section 168.27, subdivision 11, is amended to read:

Subd. 11. **Dealers' licenses; location change notice; fee.** (a) Application for a dealer's license or notification of a change of location of the place of business on a dealer's license must include a street address, not a post office box, and is subject to the commissioner's approval.

(b) Upon the filing of an application for a dealer's license and the proper fee, unless the application on its face appears to be invalid, the commissioner ~~shall~~ must grant a 90-day temporary license. During the 90-day period following issuance of the temporary license, the commissioner ~~shall~~ must inspect the place of business site and insure compliance with this section and rules adopted under this section.

(c) The commissioner may extend the temporary license 30 days to allow the temporarily licensed dealer to come into full compliance with this section and rules adopted under this section.

(d) In no more than 120 days following issuance of the temporary license, the dealer license must either be granted or denied.

(e) A license must be denied under the following conditions:

(1) ~~The license must be denied~~ if within the previous ten years the applicant was enjoined due to a violation of section 325F.69 or convicted of violating section 325E.14, 325E.15, 325E.16, or 325F.69, or convicted under section 609.53 of receiving or selling stolen vehicles, or convicted of violating United States Code, title 18, ~~sections 1981 to 1991~~ 49, sections 32701 to 32711, or pleaded guilty, entered a plea of nolo contendere or no contest, or has been found guilty in a court of competent jurisdiction of any charge of failure to pay state or federal income or sales taxes or felony charge of forgery, embezzlement, obtaining money under false pretenses, theft by swindle, extortion, conspiracy to defraud, or bribery;

(2) ~~A license must be denied~~ if the applicant has had a dealer license revoked within the previous ten years; or

(3) if, at the time of inspection, the applicant is not in compliance with location requirements or has intentionally misrepresented any information on the application that would be grounds for suspension or revocation under subdivision 12.

(f) If the application is approved, the commissioner ~~shall~~ must license the applicant as a dealer for one year from the date the temporary license is granted and issue a certificate of license that must include a distinguishing number of identification of the dealer. The license must be displayed in a prominent place in the dealer's licensed place of business.

(g) Each initial application for a license must be accompanied by a fee of \$100 in addition to the annual fee. The annual fee is \$150. The initial fees and annual fees must be paid into the state treasury and credited to the general fund except that \$50 of each initial and annual fee must be paid into the vehicle services operating account in the special revenue fund under section 299A.705.

Sec. 13. Minnesota Statutes 2020, section 168.27, subdivision 31, is amended to read:

Subd. 31. **Documentary fee.** (a) A motor vehicle dealer may not charge a documentary fee or document administration fee in excess of the amounts provided under paragraph (b) for services actually rendered to, for, or on behalf of the retail buyer or lessee to prepare, handle, and process documents for the closing of a motor vehicle retail sale or lease of a vehicle being registered in the state of Minnesota. The fee must be separately stated on the sales agreement maintained under Minnesota Rules, part 7400.5200, and may be excluded from the dealer's advertised price.

(b) For motor vehicle sales or leases made on or after July 1, ~~2017~~ 2022, through June 30, ~~2020~~ 2023, the maximum fee is ~~\$100~~ the lesser of \$200 or an amount equal to ten percent of the value of the sale or lease. For motor vehicle sales or leases made on or after July 1, ~~2020~~ 2023, through June 30, 2024, the maximum fee is ~~\$125~~ the lesser of \$275 or an amount equal to ten percent of the value of the sale or lease. For motor vehicle sales or leases made on or after July 1, 2024, the maximum fee is the lesser of \$350 or an amount equal to ten percent of the value of the sale or lease.

(c) "Documentary fee" and "document administration fee" do not include an optional electronic transfer fee as defined under section 53C.01, subdivision 14.

EFFECTIVE DATE. This section is effective for motor vehicle sales and leases made on or after July 1, 2022.

Sec. 14. Minnesota Statutes 2020, section 168A.11, subdivision 3, is amended to read:

Subd. 3. **Records.** Every dealer ~~shall~~ must maintain for three years at an established place of business a record in the form the department prescribes of every vehicle bought, sold, or exchanged, or received for sale or exchange, which ~~shall~~ must be open to inspection by a representative of the department or peace officer during ~~reasonable business hours~~ inspection hours as listed on the initial dealer license application or as noted on the dealer record. With respect to motor vehicles subject to the provisions of section 325E.15, the record ~~shall~~ must include either the true mileage as stated by the previous owner or the fact that the previous owner stated the actual cumulative mileage was unknown; the record also ~~shall~~ must include either the true mileage the dealer stated upon transferring the vehicle or the fact the dealer stated the mileage was unknown.

Sec. 15. Minnesota Statutes 2020, section 168B.045, is amended to read:

168B.045 TOWED MOTOR VEHICLES.

A person who tows and stores a motor vehicle at the request of a law enforcement officer ~~shall~~ must have a lien on the motor vehicle for the value of the ~~storage and towing and recovery of the vehicle and cargo, storage of the vehicle and cargo, and accident site cleanup~~ and must have the right to retain possession of the motor vehicle and cargo, subject to the right to retrieve contents under section 168B.07, subdivision 3, until the lien is lawfully discharged. This section does not apply to tows of vehicles parked in violation of snow emergency regulations.

Sec. 16. Minnesota Statutes 2020, section 168B.07, subdivision 1, is amended to read:

Subdivision 1. **Payment of charges.** The owner or any lienholder of an impounded vehicle ~~shall~~ must have a right to reclaim such vehicle from the unit of government or impound lot operator taking it into custody upon payment of all charges for towing and ~~storage charges~~ recovery of the vehicle and cargo, storage of the vehicle and cargo, and accident site cleanup resulting from taking the vehicle and cargo into custody within 15 or 45 days, as applicable under section 168B.051, subdivision 1, 1a, or 2, after the date of the notice required by section 168B.06.

Sec. 17. Minnesota Statutes 2020, 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.

Sec. 18. Minnesota Statutes 2020, 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.

Sec. 19. Minnesota Statutes 2020, section 171.05, subdivision 2, is amended to read:

Subd. 2. **Person less than 18 years of age.** (a) The department may issue an instruction permit to an applicant who is 15, 16, or 17 years of age and who:

(1) has completed a course of driver education in another state, has a previously issued valid license from another state, or:

(i) is enrolled in ~~either:~~ behind-the-wheel training in a driver education program; and

(ii) has completed:

~~(i) a public, private, or commercial~~ (A) the classroom phase of instruction in a driver education program that is approved by the commissioner of public safety and that includes classroom and behind-the-wheel training; or

(B) 15 hours of classroom instruction in a driver education program that presents classroom and behind-the-wheel instruction concurrently;

~~(ii) an approved behind the wheel driver education program~~ (C) home-classroom driver training, when the student is receiving full-time instruction in a home school within the meaning of sections 120A.22 and 120A.24, the student is working toward a ~~homeschool~~ home school diploma, the student is taking home-classroom driver training with classroom materials are approved by the commissioner of public safety, and the student's parent has certified the student's ~~homeschool~~ home school and home-classroom driver training status on the form approved by the commissioner; or

(D) an online driver education program authorized by section 171.395;

~~(2) has completed the classroom phase of instruction in the driver education program or has completed 15 hours of classroom instruction in a program that presents classroom and behind-the-wheel instruction concurrently;~~

~~(3)~~ (2) has passed a test of the applicant's eyesight;

~~(4)~~ (3) has passed a department-administered test of the applicant's knowledge of traffic laws;

~~(5)~~ (4) has completed the required application, which must be approved by (i) either parent when both reside in the same household as the minor applicant or, if otherwise, then (ii) the parent or spouse of the parent having custody or, in the event there is no court order for custody, then (iii) the parent or spouse of the parent with whom the minor is living or, if items (i) to (iii) do not apply, then (iv) the guardian having custody of the minor, (v) the foster parent or the director of the transitional living program in which the child resides or, in the event a person under the age of 18 has no living father, mother, or guardian, or is married or otherwise legally emancipated, then (vi) the applicant's adult spouse, adult close family member, or adult employer; provided, that the approval required by this clause contains a verification of the age of the applicant and the identity of the parent, guardian, adult spouse, adult close family member, or adult employer; and

~~(6)~~ (5) has paid all fees required in section 171.06, subdivision 2.

(b) In addition, the applicant may submit a certification stating that a primary driving supervisor has completed the supplemental parental curriculum under section 171.0701, subdivision 1a, for the purposes of provisional license requirements under section 171.055, subdivision 1, paragraph (a), clause (6). The certification must be completed by a driver education instructor, as defined under section 171.0701, subdivision 1a.

(c) For the purposes of determining compliance with the certification of paragraph (a), clause (1), item (ii), subitem (C), the commissioner may request verification of a student's ~~homeschool~~ home school status from the superintendent of the school district in which the student resides and the superintendent ~~shall~~ must provide that verification.

(d) A driver education program under this subdivision includes a public, private, or commercial program, and must be approved by the commissioner.

~~(d)~~ (e) The instruction permit is valid for two years from the date of application and may be renewed upon payment of a fee equal to the fee for issuance of an instruction permit under section 171.06, subdivision 2.

Sec. 20. Minnesota Statutes 2020, section 171.07, subdivision 15, is amended to read:

Subd. 15. **Veteran designation.** (a) At the request of an eligible applicant and on payment of the required fee, the department ~~shall~~ must issue, renew, or reissue to the applicant a driver's license or Minnesota identification card bearing a graphic or written designation of:

(1) Veteran; or

(2) Veteran 100% T&P.

(b) At the time of the initial application for the designation provided under this subdivision, the applicant must:

(1) be one of the following:

(i) a veteran, as defined in section 197.447; or

(ii) a retired member of the National Guard or a reserve component of the United States armed forces;

(2) have provide a certified copy of the ~~veteran's~~ applicant's discharge papers that confirms an honorable or general discharge under honorable conditions status or a military retiree identification card, Veteran Identification Card, or Veteran Health Identification Card; and

(3) if the applicant is seeking the disability designation under paragraph (a), clause (2), provide satisfactory evidence of a 100 percent total and permanent service-connected disability as determined by the United States Department of Veterans Affairs.

~~(c) The commissioner of public safety is required to issue drivers' licenses and Minnesota identification cards with the veteran designation only after entering a new contract or in coordination with producing a new card design with modifications made as required by law.~~

EFFECTIVE DATE; APPLICATION. This section is effective August 1, 2022, and applies to applications submitted on or after that date.

Sec. 21. Minnesota Statutes 2021 Supplement, section 171.13, subdivision 1, is amended to read:

Subdivision 1. **Examination subjects and locations; provisions for color blindness, disabled veterans.** (a) An applicant for a driver's license must pass the examination required by this section before being issued a driver's license. Except as otherwise provided in this section 171.135, the commissioner shall examine each applicant for a driver's license by such agency as the commissioner directs must conduct the examination. 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;

(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 ~~shall~~ must make provision for giving the examinations under this subdivision either in the county where the applicant resides or at a place adjacent thereto reasonably convenient to the applicant.

(d) The commissioner ~~shall~~ must 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.

Sec. 22. [171.135] THIRD-PARTY COMMERCIAL DRIVER'S LICENSE ROAD TESTS.

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

(b) "Applicant" means the individual or entity applying to be a third-party tester program or a third-party tester.

(c) "Road test" means the physical demonstration of ability to exercise ordinary and reasonable control in the operation of a motor vehicle as required in section 171.13, subdivision 1, paragraph (a), clause (4).

(d) "Third-party tester" or "tester" means an employee of a third-party testing program who is authorized by the commissioner to conduct the road test for a commercial driver's license.

(e) "Third-party testing program" or "program" means a program approved by the commissioner to administer the road test conducted by a third-party tester.

Subd. 2. **Third-party testing program; application.** (a) An applicant must apply in the manner specified by the commissioner for approval to administer the road test. A third-party testing program may administer the road test under this section if the program is approved by the commissioner.

(b) A program application to the commissioner must include:

(1) the business or entity name;

(2) a business registration number or a business or tax identification number if a nonprofit entity;

(3) mailing address, telephone number, and e-mail address of the administrative office;

(4) the name of an authorized official responsible for the program and application and the official's title and telephone number;

(5) a map, drawing, or written description of each test route to be used for road tests;

(6) the name, birth date, home address, and driver's license number of all individuals the applicant wants to employ as a certified third-party tester;

(7) the amount for fees, if any, that will be charged; and

(8) a surety bond, in the amount prescribed by the commissioner.

Subd. 3. **Third-party testing program; office location.** To qualify as a third-party testing program, the applicant must be located in Minnesota and must maintain an administrative office in at least one permanent, regularly occupied building with a permanent address.

Subd. 4. **Third-party testing program; evaluation and approval.** (a) The commissioner must evaluate each application submitted by a third-party testing program applicant. If the application is satisfactory, the commissioner must approve the application.

(b) Upon approval of a third-party testing program application, the commissioner must issue a letter of approval designating the third-party testing program. The letter of approval constitutes an agreement between the state and the third-party testing program that authorizes the program to administer the road test for a commercial driver's license.

(c) A letter of approval to operate a third-party testing program is not transferable.

Subd. 5. **Third-party tester; authority.** (a) An individual may conduct the road test for a commercial driver's license under this section if the person:

(1) possesses a valid third-party tester certificate, as provided in subdivision 6; and

(2) meets the requirements under Minnesota Rules, chapter 7410, and Code of Federal Regulations, title 49, part 380, section 605, and part 383.

(b) A third-party tester is subject to the same requirements as examiners employed by the state, including but not limited to background checks. The third-party tester must pay the cost for a required background check.

Subd. 6. **Third-party tester; certificates.** (a) The commissioner must issue a third-party tester certificate to an individual who satisfactorily completes the required training and is authorized as a third-party tester.

(b) A third-party tester certificate is effective on the date of issuance and expires four years after issuance. A third-party tester must submit an application for renewal of the certificate to the commissioner no less than 30 days before the date the previously issued certificate expires.

(c) The third-party testing program must keep a copy of the certificate of each third-party tester employed by the program on file in the administrative office of the program.

(d) A third-party tester certificate is not transferable.

Subd. 7. **Training and information.** (a) The commissioner must provide a training process that allows an individual to become authorized as a third-party tester.

(b) The commissioner must provide to each third-party tester all relevant information on how to conduct the road test. At a minimum, the commissioner must provide:

(1) the criteria on which applicants for a commercial driver's license must be tested during the road test;

(2) the method of scoring and evaluating the applicant for a commercial driver's license;

(3) the method and criteria for determining test routes; and

(4) the necessary documentation to conduct the road test.

Subd. 8. **Road tests.** (a) A third-party tester must conduct the commercial driver's license road test in the manner and subject to the requirements of this section; section 171.131; Minnesota Rules, chapter 7410; and Code of Federal Regulations, title 49, part 383.

(b) If the third-party tester also provides behind-the-wheel instruction for student drivers or employees, the third-party tester must not use the same routes for training and conducting the road test.

(c) Upon passage of the road test, the third-party tester must provide the person with certification of passage of the road test. The certification must be in a form prescribed by the commissioner.

Subd. 9. **Prohibited road tests.** (a) A third-party tester must not conduct a road test for a person who is required to be examined by the commissioner under section 171.13, subdivision 3, and Minnesota Rules, part 7410.2400.

(b) A third-party tester must not conduct a fourth or subsequent road test for a person.

Subd. 10. **Immunity.** The department must be held harmless for any claims, losses, damages, costs, and other proceedings made, sustained, brought, or prosecuted in any manner based on or occasioned by or attributive to any injury, infringement, or damage rising from any act or omission of the third-party tester or the third-party testing program in the performance of testing duties.

Subd. 11. **Application.** This section does not apply to employees of the state that conduct the road test.

Subd. 12. **Oversight; investigations.** (a) The commissioner must monitor and audit the road tests conducted by third-party testers. The commissioner reserves the right to cancel the delegation of third-party testing in its entirety or an individual program if a federal audit indicates that continuation of the general delegation or individual program will jeopardize the receipt of federal funds or the state's ability to issue commercial drivers' licenses.

(b) The commissioner must establish a process to investigate alleged violations of the law and complaints made against third-party testers or programs. The third-party tester or program must be given notice of an investigation and be allowed to participate in the investigation. The commissioner must provide the results of an audit or investigation to the third-party program and any third-party testers.

Subd. 13. **Denial; cancellation; suspension.** (a) The commissioner may deny an application for a third-party testing program or third-party tester if the applicant does not qualify for approval or certification under this section or Minnesota Rules, parts 7410.6000 to 7410.6540. In addition, a misstatement or misrepresentation is grounds for denying a letter of approval for a third-party program or a third-party tester certificate.

(b) The commissioner may cancel the approval of a third-party testing program or third-party tester or may suspend a program or tester for:

(1) failure to comply with or satisfy any provision of this section or Minnesota Rules, parts 7410.6000 to 7410.6540;

(2) falsification of any records or information relating to the third-party testing program;

(3) performance in a manner that compromises the integrity of the third-party testing program. The commissioner must use the same standards of integrity for state-employed testers and third-party testers; or

(4) the withdrawal of a third-party tester's driving privileges.

Subd. 14. **Commissioner's discretion.** (a) The existence of grounds for cancellation or suspension under subdivision 13 is determined at the sole discretion of the commissioner. If the commissioner determines that grounds for cancellation or suspension exist for failure to comply with or satisfy any requirement in this section or Minnesota Rules, parts 7410.6000 to 7410.6540, the commissioner may immediately cancel or suspend the third-party testing program or third-party tester from administering any further tests.

(b) When an application to be a third-party testing program or third-party tester application is denied, or when individual program approval or a tester's certificate is canceled, a notice must be

mailed to the subject indicating the reasons for the denial or cancellation and that the third-party testing program or third-party tester may appeal the decision as provided in subdivision 16.

Subd. 15. **Correction order.** If an audit by the commissioner identifies a situation that needs correction but does not merit suspension or cancellation, the commissioner may issue a correction order to a third-party tester or program for 30 days to correct a deficiency before the program or tester becomes subject to suspension or cancellation. The notice must include the basis for requiring the correction. The notice must notify the individual of the ability to appeal the correction order as provided in subdivision 16. The third-party testing program or third-party tester is permitted 30 days to correct the deficiency without having to reapply.

Subd. 16. **Notice of denial or cancellation; request for reconsideration and hearing.** (a) Within 20 calendar days of the mailing date of a notice of cancellation or denial issued pursuant to subdivision 14 or correction order issued pursuant to subdivision 15, the third-party testing program or third-party tester may submit a request for reconsideration in writing to the commissioner. The commissioner must review the request for reconsideration and issue a decision within 30 days of the mailing date of the request. The third-party testing program or third-party tester may request a contested case hearing under chapter 14 within 20 days of receipt of the commissioner's decision.

(b) As an alternative to the process in paragraph (a), the third-party testing program or third-party tester may initiate a contested case proceeding within 20 calendar days of the mailing date of a notice of cancellation or denial issued pursuant to subdivision 14 or a correction order issued pursuant to subdivision 15.

(c) If a correction order issued pursuant to subdivision 15 is appealed under paragraph (a) or (b), the commissioner must not enforce the correction order until the appeal is complete.

Subd. 17. **Rulemaking.** (a) Except where otherwise provided by this section, the commissioner must apply applicable provisions from Minnesota Rules, parts 7410.6000 to 7410.6540, to third-party testing of commercial drivers' licenses. The provisions in Minnesota Rules, parts 7410.6160, 7410.6180, 7410.6280, 7410.6290, 7410.6520, subpart 2, and 7410.6540, do not apply to third-party testing for commercial drivers' licenses.

(b) To the extent that Minnesota Rules, parts 7410.6000 to 7410.6540, or other laws do not prescribe requirements on the following topics, the commissioner may adopt rules on these topics as they pertain to third-party testing programs and testers:

- (1) criteria for approval of an application of a third-party testing program or tester;
- (2) requirements for training to become a third-party testing program or tester;
- (3) the method of scoring and evaluating an applicant for a commercial driver's license;
- (4) the method and criteria for determining test routes;
- (5) documentation necessary to conduct a road test;
- (6) the manner of conducting a road test for a commercial driver's license; and

(7) a process to investigate alleged violations of law and complaints made against third-party testing programs and testers.

(c) The commissioner must not adopt rules that create standards for third-party testing programs and third-party testers to provide road tests for a commercial driver's license that are higher than standards required for the state or state employees who perform road tests for commercial drivers' licenses.

(d) If the commissioner does not adopt rules by June 1, 2024, rulemaking authority under this section is repealed. Rulemaking authority under this section is not continuing authority to amend or repeal rules. Notwithstanding section 14.125, any additional action on rules after adoption must be under specific statutory authority to take the additional action.

Sec. 23. **[171.395] ONLINE DRIVER EDUCATION PROGRAM.**

(a) A licensed driver education program may provide online driver education as provided in this section. The online driver education program must satisfy the requirements for classroom driver education as provided in section 171.0701, subdivision 1, and Minnesota Rules, chapter 7411. In addition, an online driver education program must:

(1) include a means for the student to measure performance outcomes;

(2) use a pool of rotating quiz questions;

(3) incorporate accountability features to ensure the identity of the student while engaged in the course of online study;

(4) measure the amount of time that the student spends in the course;

(5) provide technical support to customers that is available 24 hours per day, seven days per week;

(6) require a licensed Minnesota driver education instructor to monitor each student's progress and be available to answer questions in a timely manner, provided that the instructor is not required to monitor progress or answer questions in real time;

(7) store course content and student data on a secure server that is protected against data breaches and is regularly backed up;

(8) incorporate preventive measures in place to protect against the access of private information;

(9) include the ability to update course content uniformly throughout the state; and

(10) provide online interactive supplemental parental curriculum consistent with section 171.0701, subdivision 1a.

(b) Except as required by this section, the commissioner is prohibited from imposing requirements on online driver education programs that are not equally applicable to classroom driver education programs.

Sec. 24. Laws 2019, First Special Session chapter 3, article 2, section 34, subdivision 8, is amended to read:

Subd. 8. **Expiration.** The Oversight Committee expires six months after full implementation of VTRS. ~~After full implementation but prior to the expiration of the Oversight Committee, the Oversight Committee must complete a report that, at a minimum, summarizes the activities of the Oversight Committee and makes recommendations to the legislature on proposed changes to state driver and vehicle laws. The Oversight Committee must submit the report to the legislative auditor.~~ For purposes of this subdivision, "full implementation" means all packaged software solution components are implemented and functioning and all MNLARS and legacy components are decommissioned.

Sec. 25. Laws 2021, First Special Session chapter 5, article 4, section 131, is amended to read:

Sec. 131. **SCHOOL BUS AGE EXEMPTION.**

Notwithstanding Minnesota Statutes, section 169.454, subdivision 2, type III vehicles that are 12 years or older may remain in service until August 31, ~~2022~~ 2023, if the following conditions are met:

(1) the vehicle would otherwise be required to leave service between March 1, 2021, and June 30, ~~2022~~ 2023, because of the vehicle's age; and

(2) the vehicle passes all required state inspections.

Sec. 26. Laws 2021, First Special Session chapter 5, article 4, section 131, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective the day following final enactment and expires on August 31, ~~2022~~ 2023.

Sec. 27. **REQUIRED RULEMAKING.**

(a) The commissioner of public safety must amend Minnesota Rules as follows:

(1) part 7410.6100, subpart 2, by striking item D;

(2) part 7410.6160, by striking "50" and inserting "30";

(3) part 7410.6420, subpart 6, item A, by striking "12" and inserting "10"; and

(4) part 7411.0630, subpart 6, by striking subitem (7) and renumbering the remaining subitems.

(b) The commissioner 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. 28. **RULES.**

If the commissioner of public safety determines that any additional rules, beyond those authorized to be adopted under Minnesota Statutes, section 171.135, are required to implement this article, the commissioner must report to the chairs and ranking minority members of the committees in the senate and house of representatives with jurisdiction over transportation by January 15, 2023, describing topics on which additional rulemaking is required. The report must include draft legislation to authorize the necessary rulemaking.

Sec. 29. **REVISOR INSTRUCTION.**

The revisor of statutes must renumber the subdivisions in Minnesota Statutes, section 169.011. The revisor must make necessary cross-reference changes in Minnesota Statutes consistent with the renumbering.

Sec. 30. **REPEALER.**

Minnesota Rules, parts 7410.6180; 7410.6420, subpart 3; 7410.6520, subpart 3; and 7411.0535, are repealed.

ARTICLE 5

INDEPENDENT EXPERT REVIEW PROVISIONS

Section 1. Minnesota Statutes 2020, section 168.002, is amended by adding a subdivision to read:

Subd. 12a. **Full-service provider.** "Full-service provider" means a person who is appointed by the commissioner as both a deputy registrar under this chapter and a driver's license agent under chapter 171 who provides all driver services, excluding International Registration Plan and International Fuel Tax Agreement transactions. The commissioner is not a full-service provider.

Sec. 2. Minnesota Statutes 2021 Supplement, section 168.327, subdivision 1, is amended to read:

Subdivision 1. **Records and fees.** (a) Upon request by any person authorized in this section, the commissioner ~~shall~~ or full-service provider must furnish a certified copy of any driver's license record, instruction permit record, Minnesota identification card record, vehicle registration record, vehicle title record, or accident record.

(b) Except as provided in subdivisions 4, 5a, and 5b, and other than accident records governed under section 169.09, subdivision 13, the requester ~~shall~~ must pay a fee of \$10 for each certified record specified in paragraph (a) or a fee of \$9 for each record that is not certified.

(c) Except as provided in subdivisions 4, 5a, and 5b, in addition to the record fee in paragraph (b), the fee for a copy of the history of any vehicle title not in electronic format is \$1 for each page of the historical record.

(d) Fees collected by the commissioner under paragraph (b) for driver's license, instruction permit, and Minnesota identification card records must be paid into the state treasury with 50 cents of each fee credited to the general fund. The remainder of the fees collected by the commissioner

must be credited to the driver services operating account in the special revenue fund under section 299A.705. Of the fees collected by a full-service provider under paragraph (b) for driver's license, instruction permit, and Minnesota identification card records, the provider must transmit 50 cents to the commissioner to be deposited into the general fund, and the provider must retain the remainder.

(e) Fees collected by the commissioner under paragraphs (b) and (c) for vehicle registration or title records must be paid into the state treasury with 50 cents of each fee credited to the general fund. The remainder of the fees collected by the commissioner must be credited to the vehicle services operating account in the special revenue fund specified in section 299A.705. Of the fees collected by a full-service provider under paragraphs (b) and (c) for vehicle registration or title records, the provider must transmit 50 cents of each fee to the commissioner to be deposited into the general fund, and the provider must retain the remainder.

(f) Except as provided in subdivisions 4, 5a, and 5b, the commissioner ~~shall~~ must permit a person to inquire into a record by the person's own electronic means for a fee of \$4.50 for each inquiry, except that no fee may be charged when the requester is the subject of the data. Of the fee collected by the commissioner:

(1) \$2.70 must be deposited in the general fund;

(2) for driver's license, instruction permit, or Minnesota identification card records, the remainder must be deposited in the driver services operating account in the special revenue fund under section 299A.705; and

(3) for vehicle title or registration records, the remainder must be deposited in the vehicle services operating account in the special revenue fund under section 299A.705.

(g) Fees and the deposit of the fees for accident records and reports are governed by section 169.09, subdivision 13.

EFFECTIVE DATE. This section is effective January 1, 2023, and applies to requests for records made on or after that date.

Sec. 3. Minnesota Statutes 2020, section 168.327, subdivision 2, is amended to read:

Subd. 2. **Requests for information; surcharge on fee.** (a) Except as otherwise provided in subdivision 3, the commissioner ~~shall~~ or full-service provider must impose a surcharge of 50 cents on each fee charged by the commissioner or full-service provider under section 13.03, subdivision 3, for copies or electronic transmittals of public information about the registration of a vehicle or an applicant, or holder of a driver's license, instruction permit, or Minnesota identification card.

(b) The surcharge only applies to a fee imposed in response to a request made in person, ~~or~~ by mail, ~~or to a request for transmittal through a computer modem~~ online. The surcharge does not apply to the request of an individual for information about that individual's driver's license, instruction permit, or Minnesota identification card or about vehicles registered or titled in the individual's name.

(c) The surcharges collected by the commissioner under this subdivision must be credited to the general fund. The surcharges collected by a full-service provider must be transmitted to the commissioner to be deposited into the general fund.

EFFECTIVE DATE. This section is effective January 1, 2023, and applies to requests for records made on or after that date.

Sec. 4. Minnesota Statutes 2020, section 168.327, subdivision 3, is amended to read:

Subd. 3. **Exception to fee and surcharge.** (a) Notwithstanding subdivision 2 or section 13.03, a fee or surcharge may not be imposed in response to a request for public information about the registration of a vehicle if the commissioner or full-service provider is satisfied that:

(1) the requester seeks the information on behalf of a community-based, nonprofit organization designated by a local law enforcement agency to be a requester; and

(2) the information is needed to identify suspected prostitution law violators, controlled substance law violators, or health code violators.

(b) The commissioner ~~shall~~ or full-service provider must not require a requester under paragraph (a) to make a minimum number of data requests or limit the requester to a maximum number of data requests.

EFFECTIVE DATE. This section is effective January 1, 2023, and applies to requests for records made on or after that date.

Sec. 5. Minnesota Statutes 2020, section 168.327, is amended by adding a subdivision to read:

Subd. 7. **Monitoring and auditing.** The commissioner must monitor and audit the furnishing of records by full-service providers under this section to ensure full-service providers are complying with this section, chapter 13, and United States Code, title 18, section 2721, et seq.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 6. Minnesota Statutes 2020, section 168.33, subdivision 7, is amended to read:

Subd. 7. **Filing fees; allocations.** (a) In addition to all other statutory fees and taxes, a filing fee of:

(1) \$7 is imposed on every vehicle registration renewal, excluding pro rate transactions; and

(2) \$11 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, and the filing fees imposed under paragraph (a) may be paid by credit card or debit card. The deputy registrar may collect a surcharge on the statutory fees, taxes, and filing fee 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 must be used to pay the cost of processing credit and debit card transactions.

(e) The fees collected under this subdivision by the department for in-person transactions must be allocated as follows:

(1) of the fees collected under paragraph (a), clause (1):

- (i) \$5.50 must be deposited in the vehicle services operating account; and
- (ii) \$1.50 must be deposited in the driver and vehicle services technology account; and

(2) of the fees collected under paragraph (a), clause (2):

- (i) \$3.50 must be deposited in the general fund;
- (ii) \$6.00 must be deposited in the vehicle services operating account; and
- (iii) \$1.50 must be deposited in the driver and vehicle services technology account.

(f) The fees collected under this subdivision by the department for mail or online transactions must be allocated as follows:

(1) of the fees collected under paragraph (a), clause (1):

- (i) \$2.75 must be deposited in the vehicle services operating account;
- (ii) \$0.75 must be deposited in the driver and vehicle services technology account; and
- (iii) \$3.50 must be deposited in the full-service provider account; and

(2) of the fees collected under paragraph (a), clause (2):

- (i) \$3.50 must be deposited in the general fund;
- (ii) \$3.00 must be deposited in the vehicle services operating account;
- (iii) \$0.75 must be deposited in the driver and vehicle services technology account; and
- (iv) \$3.75 must be deposited in the full-service provider account.

(g) In addition to all other statutory fees and taxes, a \$5.00 surcharge is imposed on every vehicle registration renewal, excluding pro rate transactions, that is submitted by mail. Of the \$5.00 surcharge, \$2.50 must be deposited in the vehicle services operating account and \$2.50 must be deposited in the full-service provider account.

EFFECTIVE DATE. This section is effective October 1, 2022.

Sec. 7. Minnesota Statutes 2021 Supplement, section 169.09, subdivision 13, is amended to read:

Subd. 13. **Reports confidential; evidence, fee, penalty, appropriation.** (a) All reports and supplemental information required under this section must be for the use of the commissioner of public safety and other appropriate state, federal, county, and municipal governmental agencies for accident analysis purposes, except:

(1) upon written request, the commissioner of public safety, a full-service provider as defined in section 171.01, subdivision 33a, or any law enforcement agency ~~shall~~ must disclose the report required under subdivision 8 to:

(i) any individual involved in the accident, the representative of the individual's estate, or the surviving spouse, or one or more surviving next of kin, or a trustee appointed under section 573.02;

(ii) any other person injured in person, property, or means of support, or who incurs other pecuniary loss by virtue of the accident;

(iii) legal counsel of a person described in item (i) or (ii);

(iv) a representative of the insurer of any person described in item (i) or (ii); or

(v) a city or county attorney or an attorney representing the state in an implied consent action who is charged with the prosecution of a traffic or criminal offense that is the result of a traffic crash investigation conducted by law enforcement;

~~(2) the commissioner of public safety shall, upon written request, provide the driver filing a report under subdivision 7 with a copy of the report filed by the driver;~~

~~(3)~~ (2) the commissioner of public safety may verify with insurance companies vehicle insurance information to enforce sections 65B.48, 169.792, 169.793, 169.796, and 169.797;

~~(4)~~ (3) the commissioner of public safety ~~shall~~ must provide the commissioner of transportation the information obtained for each traffic accident involving a commercial motor vehicle, for purposes of administering commercial vehicle safety regulations;

~~(5)~~ (4) upon specific request, the commissioner of public safety ~~shall~~ must provide the commissioner of transportation the information obtained regarding each traffic accident involving damage to identified state-owned infrastructure, for purposes of debt collection under section 161.20, subdivision 4; and

~~(6)~~ (5) the commissioner of public safety may give to the United States Department of Transportation commercial vehicle accident information in connection with federal grant programs relating to safety.

(b) Accident reports and data contained in the reports are not discoverable under any provision of law or rule of court. ~~No report shall~~ A report must not be used as evidence in any trial, civil or criminal, or any action for damages or criminal proceedings arising out of an accident. However,

the commissioner of public safety ~~shall~~ must furnish, upon the demand of any person who has or claims to have made a report or upon demand of any court, a certificate showing that a specified accident report has or has not been made to the commissioner solely to prove compliance or failure to comply with the requirements that the report be made to the commissioner.

(c) Nothing in this subdivision prevents any individual who has made a report under this section from providing information to any individuals involved in an accident or their representatives or from testifying in any trial, civil or criminal, arising out of an accident, as to facts within the individual's knowledge. It is intended by this subdivision to render privileged the reports required, but it is not intended to prohibit proof of the facts to which the reports relate.

(d) Disclosing any information contained in any accident report, except as provided in this subdivision, section 13.82, subdivision 3 or 6, or other statutes, is a misdemeanor.

(e) The commissioner of public safety ~~shall~~ or full-service provider as defined in section 171.01, subdivision 33a, must charge authorized persons as described in paragraph (a) a \$5 fee for a copy of an accident report. Ninety percent of the \$5 fee collected by the commissioner under this paragraph must be deposited in the special revenue fund and credited to the driver services operating account established in section 299A.705 and ten percent must be deposited in the general fund. Of the \$5 fee collected by a full-service provider, the provider must transmit 50 cents to the commissioner to be deposited into the general fund, and the provider must retain the remainder. The commissioner may also furnish an electronic copy of the database of accident records, which must not contain personal or private data on an individual, to private agencies as provided in paragraph (g), for not less than the cost of preparing the copies on a bulk basis as provided in section 13.03, subdivision 3.

(f) The fees specified in paragraph (e) notwithstanding, the commissioner and law enforcement agencies ~~shall~~ must charge commercial users who request access to response or incident data relating to accidents a fee not to exceed 50 cents per record. "Commercial user" is a user who in one location requests access to data in more than five accident reports per month, unless the user establishes that access is not for a commercial purpose. Of the money collected by the commissioner under this paragraph, 90 percent must be deposited in the special revenue fund and credited to the driver services operating account established in section 299A.705 and ten percent must be deposited in the general fund.

(g) The fees in paragraphs (e) and (f) notwithstanding, the commissioner ~~shall~~ must provide an electronic copy of the accident records database to the public on a case-by-case basis using the cost-recovery charges provided for under section 13.03, subdivision 3. The database provided must not contain personal or private data on an individual. However, unless the accident records database includes the vehicle identification number, the commissioner ~~shall~~ must include the vehicle registration plate number if a private agency certifies and agrees that the agency:

(1) is in the business of collecting accident and damage information on vehicles;

(2) will use the vehicle registration plate number only for identifying vehicles that have been involved in accidents or damaged, to provide this information to persons seeking access to a vehicle's history and not for identifying individuals or for any other purpose; and

(3) will be subject to the penalties and remedies under sections 13.08 and 13.09.

EFFECTIVE DATE. This section is effective January 1, 2023, and applies to requests for records made on or after that date.

Sec. 8. Minnesota Statutes 2020, section 169.09, is amended by adding a subdivision to read:

Subd. 20. Monitoring and auditing. The commissioner must monitor and audit the furnishing of records by full-service providers under this section to ensure full-service providers are complying with this section, chapter 13, and United States Code, title 18, section 2721, et seq.

EFFECTIVE DATE. This section is effective January 1, 2023.

Sec. 9. Minnesota Statutes 2020, section 171.01, is amended by adding a subdivision to read:

Subd. 33a. Full-service provider. "Full-service provider" has the meaning given in section 168.002, subdivision 12a.

Sec. 10. Minnesota Statutes 2020, section 171.02, subdivision 3, is amended to read:

Subd. 3. Motorized bicycle. (a) A motorized bicycle may not be operated on any public roadway by any person who does not possess a valid driver's license, unless the person has obtained a motorized bicycle operator's permit or motorized bicycle instruction permit from the commissioner of public safety. The operator's permit may be issued to any person who has attained the age of 15 years and who has passed the examination prescribed by the commissioner. The instruction permit may be issued to any person who has attained the age of 15 years and who has successfully completed an approved safety course and passed the written portion of the examination prescribed by the commissioner.

(b) This course must consist of, but is not limited to, a basic understanding of:

- (1) motorized bicycles and their limitations;
- (2) motorized bicycle laws and rules;
- (3) safe operating practices and basic operating techniques;
- (4) helmets and protective clothing;
- (5) motorized bicycle traffic strategies; and
- (6) effects of alcohol and drugs on motorized bicycle operators.

(c) The commissioner may adopt rules prescribing the content of the safety course, examination, and the information to be contained on the permits. A person operating a motorized bicycle under a motorized bicycle permit is subject to the restrictions imposed by section 169.974, subdivision 2, on operation of a motorcycle under a two-wheel instruction permit.

(d) The fees for motorized bicycle operator's permits are as follows:

(1) Motorized bicycle operator's permit before age 21 and valid until age 21	\$	9.75
(2) Renewal permit age 21 or older and valid for four <u>eight</u> years	\$	15.75 <u>23.75</u>

(3) Duplicate of any renewal permit	\$	5.25
(4) Written examination and instruction permit, valid for 30 days	\$	6.75

EFFECTIVE DATE. This section is effective October 1, 2022, and applies to new or renewal applications for drivers' licenses or identification cards submitted on or after that date.

Sec. 11. Minnesota Statutes 2020, section 171.06, is amended by adding a subdivision to read:

Subd. 8. Preapplication. The commissioner must establish a process for an applicant to complete an online preapplication for a driver's license or identification card. The preapplication must require the applicant to enter information required for an application for the desired type of driver's license or identification card. The preapplication process must generate a list of documents the applicant is required to submit in person at the time of the application. An applicant who submitted a preapplication is required to appear in person before the commissioner, a full-service provider, or a driver's license agent to submit a completed application for the driver's license or identification card. At the time an individual schedules an appointment to apply for a driver's license or identification card, the commissioner, full-service provider, or driver's license agent who is scheduling the appointment must provide to the applicant a link to the preapplication website.

Sec. 12. Minnesota Statutes 2020, section 171.061, subdivision 4, is amended to read:

Subd. 4. Fee; equipment. (a) The agent may charge and retain a filing fee ~~of \$8~~ for each application: as follows:

<u>(1) New application for a noncompliant, REAL ID compliant, or enhanced driver's license or identification card</u>	\$	<u>24.00</u>
<u>(2) Renewal application for a noncompliant, REAL ID compliant, or enhanced driver's license or identification card</u>	\$	<u>16.50</u>

Except as provided in paragraph (c), the fee ~~shall~~ 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 ~~shall~~ 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 ~~shall~~ must maintain the photo identification and vision examination equipment for all agents ~~appointed as of January 1, 2000. Upon the retirement, resignation, death, or discontinuance of an existing agent, and if a new agent is appointed in an existing office pursuant to Minnesota Rules, chapter 7404, and notwithstanding the above or Minnesota Rules, part 7404.0400, the department shall provide and maintain photo identification equipment without additional cost to a newly appointed agent in that office if the office was provided the equipment by the department before January 1, 2000.~~ 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 ~~shall~~ 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).

EFFECTIVE DATE. This section is effective October 1, 2022, and applies to applications made on or after that date.

Sec. 13. Minnesota Statutes 2020, section 171.07, subdivision 4, is amended to read:

Subd. 4. **Identification card expiration.** (a) Except as otherwise provided in this subdivision, the expiration date of a Minnesota identification card is the birthday of the applicant in the ~~fourth~~ eighth year following the date of issuance of the card.

~~(b)~~ For an applicant age 65 or older,

~~(1) the expiration date of a Minnesota identification card is the birthday of the applicant in the eighth year following the date of issuance of the card; or~~

~~(2) a noncompliant identification card is valid for the lifetime of the applicant.~~

~~(c) For the purposes of paragraph (b), "Minnesota identification card" does not include an enhanced identification card issued to an applicant age 65 or older.~~

~~(d)~~ (b) The expiration date for an Under-21 identification card is the cardholder's 21st birthday. The commissioner ~~shall~~ must issue an identification card to a holder of an Under-21 identification card who applies for the card, pays the required fee, and presents proof of identity and age, unless the commissioner determines that the applicant is not qualified for the identification card.

~~(e)~~ (c) Notwithstanding paragraphs (a) ~~to (d)~~ and (b), the expiration date for an identification card issued to a person with temporary lawful status is the last day of the person's legal stay in the United States, or one year after issuance if the last day of the person's legal stay is not identified.

EFFECTIVE DATE. This section is effective October 1, 2022, and applies to new or renewal applications for drivers' licenses or identification cards submitted on or after that date.

Sec. 14. Minnesota Statutes 2020, section 171.0705, is amended by adding a subdivision to read:

Subd. 11. **Manual and study material availability.** The commissioner must publish the driver's manual and study support materials for the written exam and skills exam. The study support materials must focus on the subjects and skills that are most commonly failed by exam takers. The commissioner must ensure that the driver's manual and study support materials are easily located and are available for no cost.

Sec. 15. Minnesota Statutes 2021 Supplement, section 171.071, subdivision 4, is amended to read:

Subd. 4. **Variance for homebound individuals.** (a) Notwithstanding section 171.07 or Minnesota Rules, part 7410.1810, the commissioner may grant a variance from the photograph requirements for a noncompliant identification card if: (1) the individual is homebound as defined in paragraph (b); (2) the individual has submitted proof of homebound status; and (3) the department has a photograph of the applicant on file that was taken within the last ~~four~~ eight years or during the most recent renewal cycle or the applicant has submitted a photograph to the department that meets the requirements of section 171.07, Minnesota Rules, part 7410.1810, subpart 1, and other technical requirements established by the commissioner, such as background color and electronic file size, to ensure the image can be used on a credential and conforms with images taken by the department. Applicants granted a photograph variance under this subdivision are not required to appear in person to have a new photograph taken.

(b) For purposes of this subdivision, "homebound" means the individual is unable to leave the individual's residence due to a medical, physical, or mental health condition or infirmity as documented in writing by a physician, case worker, or social worker.

EFFECTIVE DATE. This section is effective October 1, 2022, and applies to new or renewal applications for drivers' licenses or identification cards submitted on or after that date.

Sec. 16. Minnesota Statutes 2020, section 171.12, subdivision 1a, is amended to read:

Subd. 1a. **Driver and vehicle services information system; security and auditing.** (a) The commissioner must establish written procedures to ensure that only individuals authorized by law may enter, update, or access not public data collected, created, or maintained by the driver and vehicle services information system. An authorized individual's ability to enter, update, or access data in the system must correspond to the official duties or training level of the individual and to the statutory authorization granting access for that purpose. All queries and responses, and all actions in which data are entered, updated, accessed, shared, or disseminated, must be recorded in a data audit trail. If an authorized individual accesses data to resolve an issue and the access does not result in a completed transaction, the individual must include a notation on the record for the transaction explaining the business need for accessing the data. Data contained in the audit trail are public to the extent the data are not otherwise classified by law.

(b) If the commissioner ~~must immediately and permanently revoke the authorization of any~~ determines that an individual who willfully entered, updated, accessed, shared, or disseminated data in violation of state or federal law, the commissioner must impose disciplinary action. If an individual willfully gained access to data without authorization by law, the commissioner must forward the matter to the appropriate prosecuting authority for prosecution. The commissioner must not impose disciplinary action against an individual who properly accessed data to complete an authorized transaction or to resolve an issue that did not result in a completed authorized transaction.

(c) If the commissioner imposes disciplinary action, the commissioner must notify the individual in writing, of the action explain the reason for the action, and explain how to appeal the action. The commissioner must transmit the notification within five calendar days of the action.

(d) The commissioner must arrange for an independent biennial audit of the driver and vehicle services information system to determine whether data currently in the system are classified correctly, how the data are used, and to verify compliance with this subdivision. The results of the audit are public. No later than 30 days following completion of the audit, the commissioner must provide a report summarizing the audit results to the commissioner of administration; the chairs and ranking minority members of the committees of the house of representatives and the senate with jurisdiction over transportation policy and finance, public safety, and data practices; and the Legislative Commission on Data Practices and Personal Data Privacy. The report must be submitted as required under section 3.195, except that printed copies are not required.

(e) For purposes of this subdivision, "disciplinary action" means a formal or informal disciplinary measure, including but not limited to requiring corrective action or suspending or revoking the individual's access to the driver and vehicle information system.

EFFECTIVE DATE. This section is effective October 1, 2022. Paragraphs (b), (c), and (e) apply to audits of data use that are open on or after October 1, 2022.

Sec. 17. Minnesota Statutes 2021 Supplement, 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 ~~shall~~ 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;

(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.

~~(e) The commissioner shall make provision for giving the examinations under this subdivision either in the county where the applicant resides or at a place adjacent thereto reasonably convenient to the applicant.~~

~~(d) 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.~~

(c) The commissioner must ensure there are 40 or more exam stations located so 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. One or more exam stations must be located in each county with a population of 130,000 or more, as determined by the 2020 decennial census, that is located outside of the metropolitan area as defined in section 473.121, subdivision 2. Each exam station must be open a minimum of one day per week. The schedule for each exam station must be posted on the department's website.

(d) The commissioner must provide real-time information on the department's website about the availability and location of exam appointments, including 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 review the date and time of the next available exam at each exam station sorted by distance from the address provided. The information must be easily accessible and must not require a person to sign in or provide any information, except an address, in order to see available exam dates.

EFFECTIVE DATE. This section is effective July 1, 2023, except that paragraph (d) is effective January 1, 2023.

Sec. 18. Minnesota Statutes 2020, section 171.13, subdivision 1a, is amended to read:

Subd. 1a. **Waiver when license issued by another jurisdiction.** (a) If the commissioner determines that an applicant 21 years of age or older possesses a valid driver's license issued by another state or jurisdiction that requires a comparable examination for obtaining a driver's license, the commissioner ~~may~~ must waive the ~~requirement~~ requirements that the applicant pass a written knowledge examination and demonstrate ability to exercise ordinary and reasonable control in the operation of a motor vehicle ~~on determining that the applicant possesses a valid driver's license issued by a jurisdiction that requires a comparable demonstration for license issuance.~~

(b) If the commissioner determines that an applicant 21 years of age or older possesses a valid driver's license with a two-wheeled vehicle endorsement issued by another state or jurisdiction that requires a comparable examination for obtaining the endorsement, the commissioner must waive the requirements that the applicant for a two-wheeled vehicle endorsement pass a written knowledge examination and demonstrate the ability to exercise ordinary and reasonable control in the operation of a motor vehicle.

(c) For purposes of this subdivision, "jurisdiction" includes, but is not limited to, both the active and reserve components of any branch or unit of the United States armed forces, and "valid driver's

license" includes any driver's license that is recognized by that branch or unit as currently being valid, or as having been valid at the time of the applicant's separation or discharge from the military within a period of time deemed reasonable and fair by the commissioner, up to and including one year past the date of the applicant's separation or discharge.

EFFECTIVE DATE. This section is effective August 1, 2022, and applies to applications made on or after that date.

Sec. 19. Minnesota Statutes 2021 Supplement, section 171.13, subdivision 7, is amended to read:

Subd. 7. **Examination fees.** (a) A fee of ~~\$10~~ \$20 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~~ \$30 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 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 24 hours of the appointment time.

(d) All fees received under this subdivision must be paid into the state treasury and credited to the driver services operating account in the special revenue fund specified under section 299A.705.

Sec. 20. Minnesota Statutes 2021 Supplement, section 171.27, subdivision 1, is amended to read:

Subdivision 1. **Expiration.** (a) Except as otherwise provided in this section, the expiration date for each driver's license is the birthday of the driver in the ~~fourth~~ eighth year following the date of issuance of the license. The birthday of the driver ~~shall~~ must be as indicated on the application for a driver's license. A license may be renewed on or before expiration or within one year after expiration upon application, payment of the required fee, and passing the examination required of all drivers for renewal. Driving privileges ~~shall~~ must be extended or renewed on or preceding the expiration date of an existing driver's license unless the commissioner believes that the licensee is no longer qualified as a driver.

(b) The expiration date for each under-21 license ~~shall~~ must be the 21st birthday of the licensee. Upon the licensee attaining the age of 21 and upon the application, payment of the required fee, and passing the examination required of all drivers for renewal, a driver's license ~~shall~~ must be issued unless the commissioner determines that the licensee is no longer qualified as a driver.

(c) The expiration date for each provisional license is two years after the date of application for the provisional license.

(d) Notwithstanding paragraphs (a) to (c), the expiration date for a license issued to a person with temporary lawful status is the last day of the person's legal stay in the United States, or one year after issuance if the last day of the person's legal stay is not identified.

EFFECTIVE DATE. This section is effective October 1, 2022, and applies to new or renewal applications for drivers' licenses or identification cards submitted on or after that date.

Sec. 21. Minnesota Statutes 2021 Supplement, section 171.27, subdivision 2, is amended to read:

Subd. 2. **Extension of expiration.** (a) For purposes of this subdivision, "eligible individual" means:

(1) a person then or subsequently serving outside Minnesota in active military service, as defined in section 190.05, subdivision 5, in any branch or unit of the armed forces of the United States;

(2) a person then or subsequently serving outside Minnesota as a volunteer in the Peace Corps;

(3) a person who is an employee of a federal department or agency and is assigned to foreign service outside of the United States; or

(4) a person residing outside of Minnesota because the person is a spouse, domestic partner, or dependent under age 26 of a person in clause (1), (2), or (3).

(b) A valid Minnesota driver's license issued to an eligible individual continues in full force and effect without requirement for renewal until the date one year following the person's separation or discharge from active military or volunteer service, or following the conclusion of assignment to foreign service outside the United States, and until the license holder's birthday in the ~~fourth~~ eighth full year following the person's most recent license renewal or, in the case of a provisional license, until the person's birthday in the third full year following the renewal.

EFFECTIVE DATE. This section is effective October 1, 2022, and applies to new or renewal applications for drivers' licenses or identification cards submitted on or after that date.

Sec. 22. **[171.375] STUDENT PASS RATE.**

(a) For each driver training school, the commissioner must determine the percentage of students from that school who pass the written exam or road test on the student's first attempt, second attempt, or third or subsequent attempt. The commissioner must publicly post the information collected under this section on the department's website. At a minimum, the commissioner must update this information on the department's website at least every six months. The information must be searchable by the name of a school or a location.

(b) By January 1 and July 1 of each year, each driver training school must provide to the commissioner a list of all students who completed coursework at the school during the previous six months.

Sec. 23. Minnesota Statutes 2020, section 299A.705, subdivision 1, is amended to read:

Subdivision 1. **Vehicle services operating account.** (a) The vehicle services operating account is created in the special revenue fund, consisting of all money from the vehicle services fees specified in chapters 168, 168A, and 168D, and any other money donated, allotted, transferred, or otherwise provided to the account.

(b) Funds appropriated from the account must be used by the commissioner of public safety to administer the vehicle services specified in chapters 168, 168A, and 168D, and section 169.345, including:

- (1) designing, producing, issuing, and mailing vehicle registrations, plates, emblems, and titles;
- (2) collecting title and registration taxes and fees;
- (3) transferring vehicle registration plates and titles;
- (4) maintaining vehicle records;
- (5) issuing disability certificates and plates;
- (6) licensing vehicle dealers;
- (7) appointing, monitoring, and auditing deputy registrars; and
- (8) inspecting vehicles when required by law.

(c) The following amounts are appropriated monthly from the account to the commissioner for the expense of fulfilling the renewal submissions from the previous calendar month:

(1) \$1.43 per motor vehicle registration renewal submitted by mail where license plates are not issued;

(2) \$11.84 per motor vehicle registration renewal submitted by mail where license plates are issued;

(3) \$1.16 per motor vehicle registration renewal submitted online where license plates are not issued; and

(4) \$11.28 per motor vehicle registration renewal submitted online where license plates are issued.

EFFECTIVE DATE. This section is effective July 1, 2022, and the first quarterly distribution shall be made on or before October 15, 2022.

Sec. 24. Minnesota Statutes 2020, section 299A.705, is amended by adding a subdivision to read:

Subd. 3a. **Full-service provider account.** (a) The full-service provider account is created in the special revenue fund, consisting of fees described in sections 168.33, subdivision 7, and 171.06, subdivision 2, and any other money donated, allotted, transferred, or otherwise provided to the account.

(b) Money in the account is annually appropriated to the commissioner of public safety to distribute to full-service providers, as defined in section 168.002, subdivision 12a. At least quarterly, the commissioner must distribute the money in the account to each full-service provider that was

in operation during that quarter based proportionally on the total number of transactions completed by each full-service provider.

EFFECTIVE DATE. This section is effective October 1, 2022, and the first quarterly distribution shall be made on or before January 15, 2023.

Sec. 25. REPORT; IMPLEMENTATION OF DRIVER AND VEHICLE SERVICES RECOMMENDATIONS.

(a) The legislature encourages the commissioner of public safety, in conjunction with appropriate stakeholders, to implement the following recommendations included in independent expert review of driver and vehicle services issued January 12, 2022:

(1) revise the deputy registrar and driver's license agent contracts to encourage all deputy registrars and driver's license agents to become or remain full-service providers as defined in Minnesota Statutes, section 168.002, subdivision 12a;

(2) determine how best to utilize certified and impartial third parties for administration of knowledge and road tests;

(3) implement data and reporting practices to assist the commissioner in making decisions focused on the residents of the state;

(4) conduct a staffing review that balances staff quantity and quality, leverages technology automations and configurations, and establishes performance standards and targets that meet the needs of the state;

(5) identify performance and service standards and create a deputy registrar performance scorecard and a driver's license agent performance scorecard that monitors user performance to ensure a consistently positive experience for Minnesotans;

(6) provide a rapid response communication method for situations where deputy registrars or driver's license agents need immediate support;

(7) explore ways to speed up background checks of new employees at the division of driver and vehicle services offices and deputy registrar offices, including using a police department or county sheriff;

(8) promote the preapplication process and expand the use of preapplications to all possible, relevant areas;

(9) evaluate and make recommendations to the legislature on areas where it is appropriate to make preapplications mandatory;

(10) adjust policies and practices to automate as many approval transactions as possible;

(11) determine the proper user level field needed by transaction type and explore additional differentiated user levels in MnDRIVE;

(12) allow deputy registrars to have increased visibility to and influence on the MnDRIVE enhancement process;

(13) engage a learning consultant and create a content strategy and communications campaign to meet the needs of Minnesota residents, including a feedback loop for continuous improvement and evolution;

(14) provide additional training and clear guidance regarding permissible use of records and enable in-application notation of usage other than for paid transactions;

(15) consider what security measures are appropriate at each deputy registrar or driver's license agent location, including the possible need for a security officer or for cameras with recording capabilities;

(16) offer training in deescalation and negotiation techniques to all public-facing staff; and

(17) examine the potential of allowing online applications for replacement class D drivers' licenses.

(b) By December 15, 2022, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy on whether the recommendations in paragraph (a) and the recommendations included in the March 2021 legislative auditor's report on driver examination stations have been implemented, are in the process of being implemented, or will not be implemented.

(1) For each recommendation that has been implemented, the commissioner must:

(i) describe when and how the recommendation was implemented;

(ii) describe the outcome of implementing the recommendation; and

(iii) provide an estimated cost of implementing the recommendation.

(2) For each recommendation that is in the process of being implemented, the commissioner must:

(i) describe how the recommendation is being implemented;

(ii) provide the anticipated timeline for implementation; and

(iii) provide an estimated cost of implementing the recommendation.

(3) For each recommendation that will not be implemented, the commissioner must:

(i) provide a detailed explanation of why the recommendation will not be implemented;

(ii) provide an estimated cost to implement the recommendation;

(iii) provide an estimated timeline to implement the recommendation; and

(iv) describe any unmet needs that, if met, would allow the commissioner to implement the recommendation.

In addition, the commissioner must include recommendations on any further changes to statutes necessary or beneficial for implementing the recommendations.

(c) The report required by paragraph (b) must also include:

(1) the commissioner's plan for exam station locations, including how many exam stations will remain open and the locations of the exam stations; and

(2) whether any limited driver's license agents are unable to become full-service providers because of the restrictions in Minnesota Statutes, section 171.061, and Minnesota Rules, chapter 7404, and, if so, whether the commissioner would recommend any exceptions to allow the limited driver's license agent to participate in the fee-sharing provisions of this article.

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

Sec. 26. **REPEALER.**

Minnesota Statutes 2020, section 168.345, subdivision 1, is repealed.

Sec. 27. **EFFECTIVE DATE.**

Except where otherwise specified, this article is effective August 1, 2022.

ARTICLE 6

SALVAGE AND PRIOR SALVAGE TITLE BRANDS

Section 1. Minnesota Statutes 2020, section 168A.01, is amended by adding a subdivision to read:

Subd. 16b. **Recovered intact vehicle.** "Recovered intact vehicle" means a vehicle that was:

(1) verified by the vehicle insurer to be stolen and declared a total loss; and

(2) subsequently recovered with damage that is not in excess of 80 percent of its value immediately before it was stolen.

Sec. 2. Minnesota Statutes 2020, section 168A.01, subdivision 17b, is amended to read:

Subd. 17b. **Salvage vehicle.** (a) "Salvage vehicle" means a vehicle ~~that has a salvage certificate of title~~ (1) for which an insurance company has declared a total loss or paid a total loss claim, or (2) that has been involved in a collision or other event in which the cost of repairs exceeds 80 percent of the value of the vehicle immediately before the damage occurred.

(b) Salvage vehicle does not include a recovered intact vehicle.

Sec. 3. Minnesota Statutes 2020, section 168A.04, subdivision 1, is amended to read:

Subdivision 1. **Contents.** The application for the first certificate of title of a vehicle or manufactured home in this state, or for reissuance of a certificate of title for a manufactured home under section 168A.142, ~~shall~~ must be made by the owner to the department on the form prescribed by the department and ~~shall~~ must contain:

(1) the first, middle, and last names, the dates of birth, and addresses of all owners who are natural persons, the full names and addresses of all other owners;

(2) a description of the vehicle or manufactured home including, so far as the following data exists, its make, model, year, identifying number in the case of a vehicle or serial number in the case of a manufactured home, type of body, and whether new or used;

(3) the date of purchase by applicant, the name and address of the person from whom the vehicle or manufactured home was acquired, the names and addresses of any secured parties in the order of their priority, and the dates of their respective security agreements;

(4) with respect to motor vehicles subject to the provisions of section 325E.15, the true cumulative mileage registered on the odometer or that the actual mileage is unknown if the odometer reading is known by the owner to be different from the true mileage;

(5) ~~with respect to vehicles subject to section 325F.6641, whether the vehicle sustained damage by collision or other occurrence which exceeded 70 percent of the actual cash value that meets the disclosure requirements under section 325F.6641, subdivision 1; and~~

(6) any further information the department reasonably requires to identify the vehicle or manufactured home and to enable it to determine whether the owner is entitled to a certificate of title, and the existence or nonexistence and priority of any security interest in the vehicle or manufactured home.

Sec. 4. Minnesota Statutes 2020, section 168A.04, subdivision 4, is amended to read:

Subd. 4. **Vehicle last registered out of state.** If the application refers to a vehicle last previously registered in another state or country, the application ~~shall~~ must contain or be accompanied by:

(1) any certificate of title issued by the other state or country;

(2) any other information and documents the department reasonably requires to establish the ownership of the vehicle and the existence or nonexistence and priority of any security interest in it;

(3) the certificate of a person authorized by the department that the identifying number of the vehicle has been inspected and found to conform to the description given in the application, or any other proof of the identity of the vehicle the department reasonably requires; and

(4) ~~with respect to vehicles subject to section 325F.6641, whether the vehicle sustained damage by collision or other occurrence which exceeded 70 percent of actual cash value that meets the disclosure requirements under section 325F.6641, subdivision 1. Damage, for the purpose of this the calculation under this clause, does not include the actual cost incurred to repair, replace, or~~

reinstall inflatable safety restraints and other vehicle components that must be replaced due to the deployment of the inflatable safety restraints.

Sec. 5. Minnesota Statutes 2020, section 168A.05, subdivision 3, is amended to read:

Subd. 3. **Content of certificate.** (a) Each certificate of title issued by the department ~~shall~~ must contain:

- (1) the date issued;
- (2) the first, middle, and last names and the dates of birth of all owners who are natural persons, and the full names of all other owners;
- (3) the residence address of the owner listed first if that owner is a natural person or the address if that owner is not a natural person;
- (4) the names of any secured parties, and the address of the first secured party, listed in the order of priority (i) as shown on the application, or (ii) if the application is based on a certificate of title, as shown on the certificate, or (iii) as otherwise determined by the department;
- (5) any liens filed pursuant to a court order or by a public agency responsible for child support enforcement against the owner;
- (6) the title number assigned to the vehicle;
- (7) a description of the vehicle including, so far as the following data exists, its make, model, year, identifying number, type of body, whether new or used, and if a new vehicle, the date of the first sale of the vehicle for use;
- (8) with respect to a motor vehicle subject to section 325E.15, (i) the true cumulative mileage registered on the odometer or (ii) that the actual mileage is unknown if the odometer reading is known by the owner to be different from the true mileage;
- (9) if applicable, one or more of the following:
 - (i) with respect to a vehicle subject to sections ~~325F.6641~~ 168A.151 and 325F.6642, the appropriate ~~term~~ brand "flood damaged," ~~"rebuilt,"~~ "salvage," "prior salvage," or "reconstructed";
 - ~~(10)~~ (ii) with respect to a vehicle contaminated by methamphetamine production, if the registrar has received the certificate of title and notice described in section 152.0275, subdivision 2, paragraph (g), the ~~term~~ brand "hazardous waste contaminated vehicle"; and
 - ~~(11)~~ (iii) with respect to a vehicle subject to section 325F.665, the ~~term~~ brand "lemon law vehicle"; and
 - ~~(12)~~ (10) any other data the department prescribes.
- (b) For a certificate of title on a vehicle that is a restored pioneer vehicle:

(1) the identifying number must be the valid identifying number as provided under section 168A.04, subdivision 5;

(2) the year of the vehicle must be the year of original vehicle manufacture and not the year of restoration; and

(3) the title must not bear a "reconstructed vehicle" brand.

Sec. 6. Minnesota Statutes 2020, section 168A.151, subdivision 1, is amended to read:

Subdivision 1. **Salvage titles and prior salvage brands.** (a) When an insurer, licensed to conduct business in Minnesota, acquires ownership of a ~~late-model or high-value vehicle, excluding a recovered intact vehicle,~~ through payment of damages, the insurer ~~shall~~ must:

(1) for a late-model or high-value vehicle, immediately apply for a salvage certificate of title that bears a "salvage" brand or shall stamp the existing certificate of title with the legend "SALVAGE salvage CERTIFICATE OF TITLE" in a manner prescribed by the department; or

(2) for a vehicle that is not subject to clause (1), immediately apply for a certificate of title that bears a "prior salvage" brand or stamp the existing certificate of title with "prior salvage" in a manner prescribed by the department.

(b) Within ten days of obtaining the title of a vehicle through payment of damages, an insurer must notify the department in a manner prescribed by the department.

~~(b)~~ (c) Except as provided in section 168A.11, subdivision 1, a person shall must immediately apply for a salvage certificate of title that bears a "salvage" brand if the person acquires a damaged late-model or high-value vehicle with an out-of-state title and the vehicle that:

(1) is a vehicle that was acquired by an insurer through payment of damages;

(2) is a vehicle for which the will incur a cost of repairs that exceeds the value of the damaged vehicle; or

(3) has an out-of-state salvage certificate of title as proof of ownership; or

(4) bears the brand "damaged," "repairable," "salvage," or any similar term on the certificate of title.

(d) Except as provided in section 168A.11, subdivision 1, a person must immediately apply for a certificate of title that bears a "prior salvage" brand if the person acquires a damaged vehicle and:

(1) a "salvage" brand is not required under paragraph (c); and

(2) the vehicle:

(i) bears the brand "damaged," "repairable," "salvage," "rebuilt," "reconditioned," or any similar term on the certificate of title; or

(ii) had a salvage certificate of title or brand issued at any time in the vehicle's history by any other jurisdiction.

~~(e)~~ (e) A self-insured owner of a ~~late-model or high-value~~ vehicle that sustains damage by collision or other occurrence which exceeds 80 percent of its actual cash value ~~shall~~ must:

(1) for a late-model or high-value vehicle, immediately apply for a salvage certificate of title that bears a "salvage" brand; or

(2) for a vehicle that is not subject to clause (1), immediately apply for a certificate of title that bears a "prior salvage" brand.

Sec. 7. Minnesota Statutes 2020, section 168A.152, subdivision 1, is amended to read:

Subdivision 1. **Certificate of inspection.** (a) A salvage certificate of title that bears a "salvage" brand or stamp authorizes the holder to possess, transport, and transfer ownership in a vehicle. A salvage certificate of title that bears a "salvage" brand or stamp does not authorize the holder to register a vehicle. A certificate of title must not be issued for a vehicle for which a salvage certificate of title has been issued unless

(b) For a late-model or high-value vehicle with a certificate of title that bears a "salvage" brand or stamp, the commissioner must not issue a certificate of title that bears a "prior salvage" brand or stamp unless the application for title is accompanied by a certification of inspection in the form and content specified by the department accompanies the application for a certificate of title.

Sec. 8. Minnesota Statutes 2020, section 168A.152, subdivision 1a, is amended to read:

Subd. 1a. **Duties of salvage vehicle purchaser.** No salvage vehicle purchaser shall possess or retain a salvage vehicle which does not have a salvage certificate of title that bears a "salvage" or "prior salvage" brand or stamp. The salvage vehicle purchaser ~~shall~~ must display the salvage certificate of title upon the request of any appropriate public authority.

Sec. 9. Minnesota Statutes 2020, section 325F.662, subdivision 3, is amended to read:

Subd. 3. **Exclusions.** Notwithstanding the provisions of subdivision 2, a dealer is not required to provide an express warranty for a used motor vehicle:

(1) sold for a total cash sale price of less than \$3,000, including the trade-in value of any vehicle traded in by the consumer, but excluding tax, license fees, registration fees, and finance charges;

(2) with an engine designed to use diesel fuel;

(3) with a gross weight, as defined in section 168.002, subdivision 13, in excess of 9,000 pounds;

(4) that has been custom-built or modified for show or for racing;

(5) that is eight years of age or older, as calculated from the first day in January of the designated model year of the vehicle;

(6) that has been produced by a manufacturer which has never manufactured more than 10,000 motor vehicles in any one year;

(7) that has 75,000 miles or more at time of sale;

(8) that has not been manufactured in compliance with applicable federal emission standards in force at the time of manufacture as provided by the Clean Air Act, United States Code, title 42, sections 7401 through 7642, and regulations adopted pursuant thereto, and safety standards as provided by the National Traffic and Motor Safety Act, United States Code, title 15, sections 1381 through 1431, and regulations adopted pursuant thereto; or

(9) that has been issued a ~~salvage~~ certificate of title that bears a "salvage" brand or stamp under section 168A.151.

Sec. 10. Minnesota Statutes 2020, section 325F.6641, is amended to read:

325F.6641 DISCLOSURE OF VEHICLE DAMAGE.

Subdivision 1. **Prior damage disclosure.** (a) If a ~~late-model vehicle, as defined in section 168A.01, subdivision 8a,~~ has sustained damage by collision or other occurrence which exceeds 80 percent of its actual cash value immediately prior to sustaining damage, the seller must disclose that fact to the buyer, if the seller has actual knowledge of the damage. The amount of damage is determined by the retail cost of repairing the vehicle based on a complete written retail repair estimate or invoice.

(b) The disclosure required under this subdivision must be made in writing on the application for title and registration or other transfer document, in a manner prescribed by the registrar of motor vehicles. The registrar ~~shall revise~~ must design the certificate of title form, including the assignment by seller (transferor) and reassignment by licensed dealer sections of the form, the separate application for title forms, and other transfer documents to accommodate this disclosure. ~~If the seller is a motor vehicle dealer licensed pursuant to section 168.27, the disclosure required by this section must be made orally by the dealer to the prospective buyer in the course of the sales presentation.~~

~~(c) Upon transfer and application for title to a vehicle covered by this subdivision, the registrar shall record the term "rebuilt" on the first Minnesota certificate of title and all subsequent Minnesota certificates of title used for that vehicle.~~

Subd. 2. **Form of Disclosure requirements.** (a) If a motor vehicle dealer licensed under section 168.27 offers a vehicle for sale in the course of a sales presentation to any prospective buyer, the dealer must provide a written disclosure and, except for sales performed online, an oral disclosure of:

(1) prior vehicle damage as required under subdivision 1;

(2) the existence or requirement of any title brand under sections 168A.05, subdivision 3, 168A.151, 325F.6642, or 325F.665, subdivision 14, if the dealer has actual knowledge of the brand; and

(3) if a motor vehicle, which is part of a licensed motor vehicle dealer's inventory, has been submerged or flooded above the bottom dashboard while parked on the dealer's lot.

(b) If a person receives a flood disclosure as described in paragraph (a), clause (3), whether from a motor vehicle dealer or another seller, and subsequently offers that vehicle for sale, the person must provide the same disclosure to any prospective subsequent buyer.

(c) Written disclosure under this subdivision must be signed by the buyer and maintained in the motor vehicle dealer's sales file in the manner prescribed by the registrar of motor vehicles.

(d) The disclosure required in ~~this section~~ subdivision 1 must be made in substantially the following form: "To the best of my knowledge, this vehicle has has not sustained damage in excess of 80 percent actual cash value."

Sec. 11. Minnesota Statutes 2020, section 325F.6642, is amended to read:

325F.6642 TITLE BRANDING.

Subdivision 1. **Flood damage.** If the application for title and registration indicates that the vehicle has been classified as a total loss vehicle because of water or flood damage, or that the vehicle bears a "flood damaged" or similar brand, the registrar of motor vehicles ~~shall~~ must record the ~~term~~ brand "flood damaged" on the certificate of title and all subsequent certificates of title issued for that vehicle.

Subd. 2. ~~Total-loss Salvage vehicles.~~ (a) Upon transfer and application for title to all ~~total-loss~~ vehicles for which the "salvage" brand is required under section 168A.151, subdivision 1, the registrar of motor vehicles ~~shall~~ must (1) record the ~~term~~ brand "prior salvage" on the first ~~Minnesota~~ certificate of title, and (2) subject to section 168A.152, record the brand "prior salvage" on all subsequent ~~Minnesota~~ certificates of title ~~used~~ issued for that vehicle.

(b) Notwithstanding paragraph (a), a "prior salvage" brand is not required for a recovered intact vehicle, as defined in section 168A.01, subdivision 16b.

Subd. 2a. **Prior salvage.** Upon application for title to all vehicles for which the "prior salvage" brand is required under section 168A.151, subdivision 1, the registrar of motor vehicles must record the brand "prior salvage" on the certificate of title and all subsequent certificates of title issued for that vehicle.

Subd. 2b. **Certain damaged vehicles.** Upon transfer and application for title to a vehicle that is subject to section 325F.6641, subdivision 1, the registrar of motor vehicles must (1) record the brand "salvage" on the first certificate of title, and (2) subject to section 168A.152, record the brand "prior salvage" on all subsequent certificates of title issued for that vehicle.

Subd. 3. ~~Out-of-state vehicles.~~ (a) Upon transfer and application for title of all repaired vehicles with out-of-state titles that bear the term "damaged," "salvage," "rebuilt," "reconditioned," or any similar term, the registrar of motor vehicles shall record the term "prior salvage" on the first Minnesota certificate of title and all subsequent Minnesota certificates of title ~~used~~ for that vehicle.

~~(b) The registrar shall mark "prior salvage" on the first Minnesota certificate of title and all subsequent certificates of title issued for any vehicle which came into the state unrepaired and for which a salvage certificate of title was issued.~~

~~(c) For vehicles with out-of-state titles which bear the term "flood damaged," the registrar of motor vehicles shall record the term "flood damaged" on the first Minnesota certificate of title and all subsequent Minnesota certificates of title issued for that vehicle.~~

~~(d) the registrar shall mark "prior salvage" on the first Minnesota certificate of title and all subsequent certificates of title issued for any vehicle that had a salvage certificate of title issued at any time in the vehicle's history by any other jurisdiction.~~

Subd. 4. **Reconstructed vehicles.** For vehicles that are reconstructed within the meaning of section 168A.15, the registrar ~~shall~~ must record the term brand "reconstructed" on the certificate of title and all subsequent certificates of title.

Subd. 5. **Manner of branding.** ~~The~~ Each brand designation of ~~"flood damaged," "rebuilt," "prior salvage," or "reconstructed"~~ under this section or section 168A.05, subdivision 3, 168A.151, or 325F.665, subdivision 14, required on a certificate of title ~~shall~~ must be made by the registrar of motor vehicles in a clear and conspicuous manner, in a ~~color~~ format different from all other writing on the certificate of title.

~~Subd. 6. **Total loss vehicle; definition.** For the purposes of this section, "total loss vehicle" means a vehicle damaged by collision or other occurrence, for which a salvage certificate of title has been issued. Total loss vehicle does not include a stolen and recovered vehicle verified by the insurer who declared the vehicle to be a total loss vehicle unless there is more than minimal damage to the vehicle as determined by the registrar.~~

~~Subd. 7. **Dealer disclosure.** If a licensed motor vehicle dealer offers for sale a vehicle with a branded title, the dealer shall orally disclose the existence of the brand in the course of the sales presentation.~~

~~Subd. 8. **Flood damage; dealer lots.** If a motor vehicle, which is part of a licensed motor vehicle dealer's inventory, has been submerged or flooded above the bottom of the dashboard while parked on the dealer's lot, the dealer must disclose that fact in writing to any buyer and must orally disclose that fact in the course of a sales presentation to any prospective buyer. The buyer must also disclose the existence of the flood damage in writing to any subsequent buyer.~~

Sec. 12. Minnesota Statutes 2020, section 325F.665, subdivision 14, is amended to read:

Subd. 14. **Title branding.** (a) Upon transfer and application for title of all vehicles subject to this section, the registrar of motor vehicles shall record the term "lemon law vehicle" on the certificate of title and all subsequent certificates of title for that vehicle.

(b) For vehicles with out-of-state titles that bear the term "lemon law vehicle," or any similar term, the registrar of motor vehicles shall record the term "lemon law vehicle" on the first Minnesota certificate of title and all subsequent Minnesota certificates of title issued for that vehicle.

~~(e) The designation of "lemon law vehicle" on a certificate of title must be made by the registrar of motor vehicles in a clear and conspicuous manner, in a color different from all other writing on the certificate of title.~~

Sec. 13. **REPEALER.**

Minnesota Statutes 2020, sections 168A.01, subdivision 17a; and 325F.6644, are repealed.

Sec. 14. **EFFECTIVE DATE.**

This article is effective January 1, 2023.

ARTICLE 7

DEPARTMENT OF TRANSPORTATION

Section 1. Minnesota Statutes 2020, section 160.08, subdivision 7, is amended to read:

Subd. 7. **No commercial establishment within right-of-way; exceptions.** No commercial establishment, including but not limited to automotive service stations, for serving motor vehicle users shall be constructed or located within the right-of-way of, or on publicly owned or publicly leased land acquired or used for or in connection with, a controlled-access highway; except that:

- (1) structures may be built within safety rest and travel information center areas;
- (2) space within state-owned buildings in those areas may be leased for the purpose of providing information to travelers through advertising as provided in section 160.276;
- (3) advertising signs may be erected within the right-of-way of interstate or controlled-access trunk highways by franchise agreements under section 160.80;
- (4) vending machines may be placed in rest areas, travel information centers, or weigh stations constructed or located within trunk highway rights-of-way; ~~and~~
- (5) acknowledgment signs may be erected under sections 160.272 and 160.2735; and
- (6) electric vehicle charging stations may be installed, operated, and maintained in safety rest areas, except where prohibited by federal law.

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

Sec. 2. Minnesota Statutes 2020, section 161.088, subdivision 1, is amended to read:

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

- (1) "beyond the project limits" means any point that is located:
 - (i) outside of the project limits;
 - (ii) along the same trunk highway; and

(iii) within the same region of the state;

(2) "city" means a statutory or home rule charter city;

(3) "greater Minnesota area" means the counties that are not metropolitan counties;

(4) "metropolitan area" means Anoka, Carver, Chisago, Dakota, Hennepin, Ramsey, Scott, and Washington Counties;

~~(3)~~ (5) "program" means the corridors of commerce program established in this section; and

~~(4)~~ (6) "project limits" means the estimated construction limits of a project for trunk highway construction, reconstruction, or maintenance, that is a candidate for selection under the corridors of commerce program.

Sec. 3. Minnesota Statutes 2020, section 161.088, subdivision 2, is amended to read:

Subd. 2. **Program authority; funding.** (a) As provided in this section, the commissioner shall 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) 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) made for the corridor investment management strategy program, unless specified otherwise.

(c) The commissioner ~~shall~~ 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 ~~to the program under this section for program delivery and for project scoring, ranking, and selection under subdivision 5.~~

Sec. 4. Minnesota Statutes 2020, section 161.088, subdivision 4, is amended to read:

Subd. 4. **Project eligibility.** (a) The eligibility requirements for projects that can be funded under the program are:

(1) consistency with the statewide multimodal transportation plan under section 174.03;

(2) location of the project on an interregional corridor, for a project located outside of the Department of Transportation metropolitan district;

(3) placement into at least one project classification under subdivision 3;

(4) project construction work will commence within ~~three~~ four years, or a longer length of time as determined by the commissioner; and

(5) for each type of project classification under subdivision 3, a maximum allowable amount for the total project cost estimate, as determined by the commissioner with available data.

(b) A project whose construction is programmed in the state transportation improvement program is not eligible for funding under the program. This paragraph does not apply to a project that is programmed as result of selection under this section.

(c) A project may be, but is not required to be, identified in the 20-year state highway investment plan under section 174.03.

(d) For each project, the commissioner must consider all of the eligibility requirements under paragraph (a). The commissioner is prohibited from considering any eligibility requirement not specified under paragraph (a).

(e) A project in the greater Minnesota area with a total project cost of more than \$10,000,000 is classified as a greater Minnesota large project. A project in the greater Minnesota area with a total project cost of \$10,000,000 or less is classified as a greater Minnesota small project. All projects in the metropolitan area are classified as metropolitan projects, regardless of the total project cost.

Sec. 5. Minnesota Statutes 2021 Supplement, section 161.088, subdivision 5, is amended to read:

Subd. 5. Project selection process; criteria. (a) The commissioner must establish a process to identify, evaluate, and select projects under the program. The process must be consistent with the requirements of this subdivision and must not include any additional evaluation criteria.

(b) As part of the project selection process, the commissioner must annually accept recommendations on candidate projects from area transportation partnerships and ~~other interested stakeholders in each Department of Transportation district~~ counties in the metropolitan area as provided by this section. The commissioner must determine the eligibility for each candidate project ~~identified under this paragraph~~ that is submitted as provided in this section. For each eligible project, the commissioner must classify and evaluate the project for the program, using all of the criteria established under paragraph ~~(e)~~ (d).

(c) Before proceeding to the evaluation required under paragraph (d), all project recommendations submitted for consideration must be screened as follows:

(1) for projects in the greater Minnesota area:

(i) the area transportation partnership for the area must review all project recommendations from its area;

(ii) each area transportation partnership must select up to three large projects and three small projects as defined in subdivision 4 to recommend for advancement to the evaluation process under paragraph (d). Each area transportation partnership may develop its own process to determine which projects to recommend. An area transportation partnership must not include the same segment of road in more than one project; and

(iii) only the projects recommended for evaluation may be developed by the department and scored for selection under paragraph (d). All projects not recommended for evaluation are disqualified from further consideration and must not be evaluated under paragraph (d);

(2) for projects located in the metropolitan area:

(i) projects located within a county in the metropolitan area must be reviewed by the county board;

(ii) each county board must select up to two projects to recommend for advancement to the evaluation process under paragraph (d). A board must not include the same segment of road in more than one project. Each board may develop its own process to determine which project to recommend; and

(iii) only the projects submitted by the county boards as provided in this paragraph may be developed by the department and scored for selection under paragraph (d). All projects not recommended for evaluation are disqualified from further consideration and must not be evaluated under paragraph (d).

(d) Projects must be evaluated using all of the following criteria:

(1) a return on investment measure that provides for comparison across eligible projects;

(2) measurable impacts on commerce and economic competitiveness;

(3) efficiency in the movement of freight, including but not limited to:

(i) measures of annual average daily traffic and commercial vehicle miles traveled, which may include data near the project location on that trunk highway or on connecting trunk and local highways; and

(ii) measures of congestion or travel time reliability, which may be within or near the project limits, or both;

(4) improvements to traffic safety;

(5) connections to regional trade centers, local highway systems, and other transportation modes;

(6) the extent to which the project addresses multiple transportation system policy objectives and principles;

(7) support and consensus for the project among members of the surrounding community;

(8) the time and work needed before construction may begin on the project; ~~and~~

(9) regional balance throughout the state; and

(10) written recommendations submitted as provided by subdivision 5a.

The commissioner must give the criteria in clauses (1) to (8) equal weight in the selection process.

(e) The commissioner must select projects so that approximately 50 percent of the available funding must be used for projects in the metro area and the other 50 percent must be used for projects in the greater Minnesota area. Of funding for projects in the metropolitan area, at least 55 percent must be spent for projects in Anoka, Carver, Chisago, Dakota, Scott, and Washington Counties. Of the funding for projects in the greater Minnesota area, approximately 25 percent must be used for projects classified as greater Minnesota small projects as defined in subdivision 4. When selecting projects in the greater Minnesota area, the commissioner must select projects so that no district has more than one project more than any other district.

~~(f)~~ (f) The list of all projects evaluated must be made public and must include the score of each project.

~~(g)~~ (g) As part of the project selection process, the commissioner may divide funding to be separately available among projects within each classification under subdivision 3, and may apply separate or modified criteria among those projects falling within each classification.

Sec. 6. Minnesota Statutes 2020, section 161.088, is amended by adding a subdivision to read:

Subd. 5a. **Recommendations.** After receiving all projects submitted pursuant to subdivision 5 but before making final selections, the commissioner must compile a list of all projects that were submitted and transmit the list to each legislator and to the governor. The list must include the location of each project and a brief description of the work to be done. Within 30 days of the date the project list is transmitted, each legislator and the governor may submit to the commissioner a written recommendation for one project on the list. The commissioner must award one additional point to a project for each written recommendation received for that project.

Sec. 7. Minnesota Statutes 2020, section 161.088, is amended by adding a subdivision to read:

Subd. 5b. **Project selection period.** Between October 1, 2022, and November 1, 2022, and every four years thereafter, area transportation partnerships and the metropolitan counties must submit projects to the commissioner of transportation as provided in subdivision 5. The commissioner must evaluate the projects and select projects by March 1 of the following year. To the greatest extent possible, the commissioner must select a sufficient number of projects to ensure that all funds allocated for the four-year period are encumbered or spent by the end of the period. If all selected projects are funded in the four-year time period and there were projects that were identified and not selected, the commissioner must select additional projects from the original project submissions. If all the projects that were submitted are funded, the commissioner may authorize an additional project selection period to select projects for the remainder of the period. Except as authorized by this subdivision, the project submission and selection process must only occur every four years.

Sec. 8. **[161.0895] HIGHWAY PURPOSE; REPORT.**

(a) To ensure compliance with the Minnesota Constitution, article XIV, sections 2, 5, and 6, commissioners of state agencies must not include in a biennial budget any expenditures from the trunk highway fund or the highway user tax distribution fund for a nonhighway purpose or for any purpose prohibited by section 161.20.

(b) No later than 45 days following the submission of the governor's biennial budget to the legislature under section 16A.11, the commissioner of management and budget and the attorney

general must jointly submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The report must examine proposed appropriations from the trunk highway fund and the highway user tax distribution fund, explain the highway purpose of the proposed appropriations, determine if any proposed appropriation is for a nonhighway purpose, and, for nonhighway purposes, recommend the fund to be used.

(c) For the purposes of this section, an appropriation for a nonhighway purpose is any appropriation not for construction, improvement, or maintenance of highways or for any purpose prohibited by section 161.20.

Sec. 9. Minnesota Statutes 2020, section 161.115, is amended by adding a subdivision to read:

Subd. 271. **Route No. 340.** Beginning at a point in or adjacent to Upper Sioux Agency State Park; thence extending in a general northwesterly direction to a point on Route No. 67 at or near Granite Falls.

Sec. 10. Minnesota Statutes 2020, section 162.07, subdivision 2, is amended to read:

Subd. 2. **Money needs defined.** For the purpose of this section, money needs of each county are defined as the estimated total annual costs of constructing, over a period of 25 years, the county state-aid highway system ~~in~~ located and established by that county. Costs incidental to construction, or a specified portion thereof as set forth in the commissioner's rules may be included in determining money needs. To avoid variances in costs due to differences in construction policy, construction costs shall be estimated on the basis of the engineering standards developed cooperatively by the commissioner and the county engineers of the several counties.

Sec. 11. Minnesota Statutes 2020, section 162.13, subdivision 2, is amended to read:

Subd. 2. **Money needs defined.** For the purpose of this section money needs of each city having a population of 5,000 or more are defined as the estimated cost of constructing and maintaining over a period of 25 years the municipal state-aid street system ~~in~~ located and established by such city. Right-of-way costs and drainage shall be included in money needs. Lighting costs and other costs incidental to construction and maintenance, or a specified portion of such costs, as set forth in the commissioner's rules, may be included in determining money needs. To avoid variances in costs due to differences in construction and maintenance policy, construction and maintenance costs shall be estimated on the basis of the engineering standards developed cooperatively by the commissioner and the engineers, or a committee thereof, of the cities.

Sec. 12. Minnesota Statutes 2020, section 162.145, subdivision 2, is amended to read:

Subd. 2. **Small cities assistance account.** A small cities assistance account is created in the special revenue fund. The account consists of funds as provided by law, and any other 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.

Sec. 13. Minnesota Statutes 2021 Supplement, section 162.145, subdivision 3, is amended to read:

Subd. 3. **Administration.** (a) ~~Subject to funds made available by law,~~ The commissioner must allocate all funds as provided in subdivision 4 and must, by June 1, certify to the commissioner of revenue the amounts to be paid.

(b) Following certification from the commissioner, the commissioner of revenue must distribute the specified funds to cities in the same manner as local government aid under chapter 477A. An appropriation to the commissioner under this section is available to the commissioner of revenue for the purposes specified in this paragraph.

(c) Notwithstanding other law to the contrary, in order to receive distributions under this section, a city must conform to the standards in section 477A.017, subdivision 2. A city that receives funds under this section must make and preserve records necessary to show that the funds are spent in compliance with subdivision 5.

Sec. 14. Minnesota Statutes 2020, section 162.145, subdivision 4, is amended to read:

Subd. 4. **Distribution formula.** (a) In each fiscal year ~~in which funds are available under this section,~~ the commissioner shall allocate funds to eligible cities.

(b) The preliminary aid to each city is calculated as follows:

(1) five percent of funds allocated equally among all eligible cities;

(2) 35 percent of funds allocated proportionally based on each city's share of lane miles of municipal streets compared to total lane miles of municipal streets of all eligible cities;

(3) 35 percent of funds allocated proportionally based on each city's share of population compared to total population of all eligible cities; and

(4) 25 percent of funds allocated proportionally based on each city's share of state-aid adjustment factor compared to the sum of state-aid adjustment factors of all eligible cities.

(c) The final aid to each city is calculated as the lesser of:

(1) the preliminary aid to the city multiplied by an aid factor; or

(2) the maximum aid.

(d) The commissioner shall set the aid factor under paragraph (c), which must be the same for all eligible cities, so that the total funds allocated under this subdivision equals the total amount available for the fiscal year.

Sec. 15. **[169.8296] WEIGHT LIMITS; TOWING AND RECOVERY VEHICLE.**

Subdivision 1. **Annual permit.** The commissioner may issue permits to an applicant who pays a single \$300 annual fee to cover all tow trucks and towing vehicles owned by the applicant and meets any other conditions prescribed by the commissioner. The permit authorizes the tow truck or towing vehicle, when towing a disabled or damaged vehicle to a place of repair or to a place of safekeeping, to exceed the length and weight limitations of this chapter.

Subd. 2. **Certain weight limits not applicable when movement is urgent.** Sections 169.823 to 169.828 do not apply to a tow truck or towing vehicle when towing a disabled or damaged vehicle, when the movement is urgent, and when the movement is for the purpose of removing the disabled vehicle from the roadway to a place of safekeeping or to a place of repair. A permit is not required for a vehicle operating under this subdivision.

Subd. 3. **Seasonal load restrictions; exemption.** (a) The seasonal load restrictions under section 169.87, subdivisions 1 and 2, do not apply to a towing or recovery vehicle that does not exceed a weight of 20,000 pounds per single axle and is being operated for the purpose of towing or recovering another vehicle that:

(1) is involved in a vehicle crash or is inoperable and is located within a public road right-of-way;
or

(2) has entered a public body of water adjacent to the roadway.

(b) The exemption under this subdivision only applies when a request has been made by a federal, state, or local law enforcement agency for a tow truck or recovery vehicle to move a vehicle specified in paragraph (a).

(c) As used in this section, "recovery vehicle" means a vehicle equipped with a boom that is used to move or recover an inoperable vehicle. A recovery vehicle also includes a tow truck as defined in section 168B.011, subdivision 12a.

Sec. 16. Minnesota Statutes 2020, section 169.865, subdivision 1a, is amended to read:

Subd. 1a. **Definition.** For purposes of this section, "qualifying agricultural products" means:

(1) agricultural crops, including but not limited to corn, soybeans, oats, grain, and by-products of agricultural crops;

(2) livestock, including but not limited to cattle, hogs, and poultry;

(3) food crops, including but not limited to sugar beets, potatoes, carrots, and onions;

(4) fluid milk;

(5) seed and material used for or in livestock and poultry feed; ~~and~~

(6) livestock manure; and

(7) raw or processed grass seed.

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

Sec. 17. Minnesota Statutes 2020, section 174.185, as amended by Laws 2021, First Special Session chapter 5, article 4, section 90, is amended to read:

174.185 PAVEMENT LIFE-CYCLE COST ANALYSIS.

Subdivision 1. **Definitions.** For the purposes of this section, the following definitions apply.

~~(a) "Life-cycle cost" is the sum of the cost of the initial pavement project and all anticipated costs for maintenance, repair, and resurfacing over the life of the pavement. Anticipated costs must be based on Minnesota's actual or reasonably projected maintenance, repair, and resurfacing schedules, and costs determined by the Department of Transportation district personnel based upon recently awarded local projects and experience with local material costs.~~

~~(b) (a) "Life-cycle cost analysis" or "analysis" is a comparison of life-cycle costs among competing paving materials using equal design lives and equal comparison periods. process for evaluating the total economic worth of a usable project segment by analyzing initial costs and discounted future costs, such as maintenance, user costs, reconstruction, rehabilitation, restoring, and resurfacing costs, over the life of the project segment.~~

~~(b) "Minimum requirements" is a combination of pavement, base, and subbase materials that minimizes the total system cost to achieve the specified design performance requirements. Design performance requirements are based on design traffic volumes, reliability, standard deviation, pavement structural characteristics, and various material properties for structural design.~~

~~(c) "Pavement" is any material used for paved traffic lanes, typically asphalt or concrete, including the underlying materials inherent to each pavement alternative considered.~~

~~(d) "Rounded value" means a measurement that is rounded to the nearest half-inch increment.~~

~~(e) "Shoulder" is the portion of the roadway contiguous with the traveled way, outside of the edge of the pavement for accommodation of stopped vehicles, emergency use, and lateral support of base and surface courses.~~

~~(f) "Substantial plan development" is the point in time during the plan development process after which any further activities would preclude any of the feasible alternatives from being selected or constructed.~~

~~(g) "Superfluous materials" are materials that are in excess of rounded values and that are not necessary to meet the minimum requirements for a feasible alternative.~~

Subd. 2. **Required analysis.** ~~(a) For each project in the reconditioning, resurfacing, and road repair funding categories any project with 15,000 or more square yards of paving, the commissioner shall must perform a life-cycle cost analysis and shall document the lowest life-cycle costs and all alternatives considered. The commissioner shall document the chosen pavement strategy and, if the lowest life cycle is not selected, document the justification for the chosen strategy. A life-cycle cost analysis is required for projects to be constructed after July 1, 2011. For projects to be constructed prior to July 1, 2011, when feasible, the department will use its best efforts to perform life-cycle cost analyses, and document the chosen pavement strategy as provided by this section. The commissioner must perform the life-cycle cost analysis prior to substantial plan development.~~

~~(b) When conducting a life-cycle cost analysis, the commissioner must:~~

~~(1) derive initial and future costs from Minnesota-based historical data of roadways with similar characteristics, including but not limited to similar geographical location, rural or urban classification, traffic volumes, construction practices, staging, and vehicle classification percentages;~~

(2) determine the analysis period based on the longest design life of all feasible alternatives or 60 years, whichever is longer;

(3) compensate for any life added or lost due to rounding if pavement thickness is rounded up or down;

(4) ensure that each feasible alternative being considered in the analysis meets the minimum requirements for that alternative and must consider only the pavement, base, and subbase materials that are required to meet the minimum criteria for that alternative;

(5) identify all feasible alternatives, including a full range of rehabilitation strategies for both rigid and flexible pavements, which must, at a minimum, include thin asphalt overlay of less than four inches, thin concrete overlay of four inches to six inches, thick asphalt of greater than or equal to four inches, and thick concrete options greater than six inches;

(6) include agency costs, including but not limited to initial pavement, future rehabilitation and maintenance projects, overhead, design, contract administration, and routine maintenance;

(7) mobilization costs related to construction, maintenance, or rehabilitation;

(8) costs for traffic control to protect workers and the public during each construction, maintenance, or rehabilitation activity in the analysis;

(9) add the annual excess fuel consumption costs, as calculated in subdivision 2a, as an annual pavement cost;

(10) identify and use realistic timing of future maintenance and construction practices using similar characteristics, including but not limited to similar geographical location, rural or urban classification, traffic volumes, construction practices, staging, and vehicle classification percentages;

(11) for each feasible alternative with residual service life at the end of the analysis period, calculate the value of any residual service life and include it as a credit in the final year of the analysis period;

(12) include an explanation of the methodology used to produce the cost estimate and why that method was selected; and

(13) include an explanation of the timing selected of rehabilitation and maintenance and why that timing was selected.

(c) The commissioner must not include the following in a life-cycle cost analysis:

(1) elements that are the same for all alternatives;

(2) life-cycle calculations for shoulder pavement, shoulder base, or shoulder subbase; and

(3) any superfluous material that is included as part of the feasible alternative but is not required to meet the minimum requirements of the feasible alternative, including any material that may be included due to the designer's preference or recommendation in the department's Pavement Design

Manual. This clause does not preclude the commissioner from selecting a pavement strategy that uses superfluous materials, but the superfluous materials must not be a factor in making the selection.

Subd. 2a. **Excess fuel consumption calculation.** (a) For purposes of this subdivision, the following terms have the meanings given:

(1) "diesel fuel price" means the Midwest nonhighway diesel fuel price effective for the date the calculation is performed as provided by the United States Energy Information Administration;

(2) "gasoline fuel price" means the Midwest regular gasoline price effective for the date that calculation is performed as provided by the United States Energy Information Administration;

(3) "heavy commercial annual average daily traffic (HCAADT)" means the heavy commercial annual average daily traffic provided by the department's data and based on the traffic forecasting and analysis system;

(4) "heavy-duty MPG" means the latest fleet average miles per gallon of heavy-duty, short-wheelbase vehicles as provided by the United States Energy Information Administration;

(5) "heavy-duty fuel savings factor" means the percentage of rigid pavement savings anticipated for heavy commercial vehicles as provided by department research, state or federal agencies, or relevant academic research projects;

(6) "light-duty fuel savings factor" is the percentage of rigid pavement savings anticipated for passenger vehicles as provided by department research, state or federal agencies, or relevant academic research projects;

(7) "light-duty MPG" means the latest fleet average for miles per gallon of light-duty, short-wheelbase vehicles as provided by the United States Energy Information Administration;

(8) "passenger annual average daily traffic (PAADT)" means the passenger annual average daily traffic provided by the department's data and based on the traffic forecasting and analysis system; and

(9) "project length" means the centerline miles for the project.

(b) The commissioner must determine the annual excess fuel consumption cost as provided in this subdivision. The commissioner must use the same HCAADT or PAADT for the duration of each analysis period.

(c) The passenger excess cost is equal to the product of PAADT, gasoline fuel price, light-duty fuel savings factor, project length, and 365 divided by light-duty MPG.

(d) The heavy commercial excess cost is equal to the product of PAADT, gasoline fuel price, heavy-duty fuel savings factor, project length, and 365 divided by heavy-duty MPG.

(e) The annual excess fuel consumption cost is the sum of passenger excess cost and heavy commercial excess cost.

Subd. 2b. **Public review and collaboration.** (a) Before finalizing a pavement selection, the commissioner must post a draft of the life-cycle cost analysis and the draft pavement selection on the department's Office of Materials and Road Research website for 21 days. During this period, the commissioner must allow industry association representatives to submit questions and comments. The commissioner must collaborate with the person who submitted the question or comment, where necessary, to ensure the commissioner fully understands the question or comment. The commissioner must respond to each comment or question in writing, which must include a description of any associated changes that will be made to the life-cycle cost analysis.

(b) After the public review period closes, the commissioner must make revisions to the life-cycle cost analysis in response to questions or comments received. If the commissioner revises the type of pavement from concrete to asphalt or from asphalt to concrete, the commissioner must post the revised life-cycle cost analysis for public review in accordance with paragraph (a).

Subd. 2c. **Selection.** (a) After the public review period required in subdivision 2b and any subsequent changes to the analysis, the commissioner must select the pavement strategy and prepare a document of justification. At a minimum, the document of justification must:

(1) include all comments and questions received during the public review and the commissioner's responses to each;

(2) explain why the pavement strategy was selected;

(3) if the lowest life-cycle cost is not selected, justify why a strategy with a higher life-cycle cost was selected; and

(4) identify any superfluous materials, quantify the superfluous materials' associated costs, and provide the rationale for the superfluous materials' inclusion.

(b) The commissioner must submit the analysis and document of justification to a licensed professional engineer for review. A life-cycle cost analysis is not considered final until it is certified and signed by a licensed professional engineer as provided by Minnesota Rules, part 1800.4200.

(c) For all projects that began construction on or after January 1, 2022, the commissioner must store all life-cycle cost analyses and documents of justification on the department's website in a manner that allows the public to easily access the documents.

(d) After completing the certification and signature requirements of paragraph (b) and the posting requirements of paragraph (c), the commissioner may advance the project to substantial plan development.

Subd. 3. **Report.** The commissioner ~~shall~~ must report annually to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over transportation finance on the results of the analyses required in subdivision 2, the public review required by subdivision 2b, and the final selection and document of justification required by subdivision 2c.

EFFECTIVE DATE. This section is effective July 1, 2022, and applies to life-cycle cost analyses that are started on or after that date, except that subdivision 2b and any references to subdivision 2b are not effective until July 1, 2023.

Sec. 18. Minnesota Statutes 2020, section 174.52, subdivision 3, is amended to read:

Subd. 3. **Advisory committee.** (a) The commissioner ~~shall~~ must establish a local road improvement program advisory committee consisting of ~~five~~ the following members, ~~including~~:

- (1) one county commissioner;
 - (2) one county engineer;
 - (3) one city engineer;
 - (4) one city council member or city administrator representing a city with a population over 5,000; ~~and~~
 - (5) one city council member or city administrator representing a city with a population under 5,000; and
 - (6) one town board member appointed by the Minnesota Association of Townships.
- (b) The advisory committee ~~shall~~ must provide recommendations to the commissioner regarding expenditures from the accounts established in this section.

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

Sec. 19. Minnesota Statutes 2020, 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) Starting after July 1, 2017, the commissioner shall deposit an amount of the remittances monthly into the state treasury and credit them to the highway user tax distribution fund as a portion of the estimated amount of taxes collected from the sale and purchase of motor vehicle repair parts in that month. For the remittances between July 1, 2017, and June 30, 2019, the monthly deposit amount is \$2,628,000. For remittances in each subsequent fiscal year, the monthly deposit amount is \$12,137,000. The commissioner must deposit on a monthly basis the revenue derived from the tax rate imposed under section 297A.62, subdivision 1, on the sale and purchase of motor vehicle repair and replacement parts into the state treasury and credit:~~

(1) 86 percent to the highway user tax distribution fund;

(2) seven percent to the small cities assistance account in the special revenue fund established under section 162.145; and

(3) seven percent to the town road account in the county state-aid highway fund established under section 162.081.

Between July 1, 2022, and June 30, 2023, the monthly deposit amount is \$26,655,000. In each subsequent fiscal year, the commissioner must adjust the monthly deposit amount by the percentage change in the total amount of sales tax revenue collected for all sales and purchases between the two preceding fiscal years. The amount as adjusted must be rounded to the nearest \$1,000 amount. 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) 72.43 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) 50 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; and

(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.

(i) 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.

(j) 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.

(k) The revenues deposited under paragraphs (a) to (j) 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.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 20. Minnesota Statutes 2021 Supplement, 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 weighs less than 55 pounds at takeoff, including payload and anything affixed to the aircraft, either,~~ as defined in section 360.013, subdivision 57b:

(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.

(c) Owners must, at the time of registration, provide proof of insurability in a form acceptable to the commissioner. Additionally, owners must maintain records and proof that each flight was covered by an insurance policy with limits of not less than \$300,000 per occurrence for bodily injury or death to nonpassengers in any one accident. The insurance must comply with section 60A.081, unless that section is inapplicable under section 60A.081, subdivision 3.

Sec. 21. Minnesota Statutes 2021 Supplement, section 360.59, subdivision 10, is amended to read:

Subd. 10. **Certificate of insurance.** (a) Every owner of aircraft in this state when applying for registration, reregistration, or transfer of ownership shall supply any information the commissioner reasonably requires to determine that the aircraft during the period of its contemplated operation is covered by an insurance policy with limits of not less than \$100,000 per passenger seat liability both for passenger bodily injury or death and for property damage; not less than \$100,000 for bodily injury or death to each nonpassenger in any one accident; and not less than \$300,000 per occurrence for bodily injury or death to nonpassengers in any one accident. The insurance must comply with section 60A.081, unless that section is inapplicable under section 60A.081, subdivision 3.

The information supplied to the commissioner must include but is not limited to the name and address of the owner, the period of contemplated use or operation, if any, and, if insurance coverage is then presently required, the name of the insurer, the insurance policy number, the term of the coverage, policy limits, and any other data the commissioner requires. No certificate of registration shall be issued pursuant to subdivision 3 in the absence of the information required by this subdivision.

(b) In the event of cancellation of aircraft insurance by the insurer, the insurer shall notify the Department of Transportation at least ten days prior to the date on which the insurance coverage is to be terminated. Unless proof of a new policy of insurance is filed with the department meeting

the requirements of this subdivision during the period of the aircraft's contemplated use or operation, the registration certificate for the aircraft shall be revoked forthwith.

(c) Nothing in this subdivision shall be construed to require an owner of aircraft to maintain passenger seat liability coverage on aircraft for which an experimental certificate has been issued by the administrator of the Federal Aviation Administration pursuant to Code of Federal Regulations, title 14, sections 21.191 to 21.195 and 91.319, whereunder persons operating the aircraft are prohibited from carrying passengers in the aircraft or for an unmanned aircraft. Whenever the aircraft becomes certificated to carry passengers, passenger seat liability coverage shall be required as provided in this subdivision.

(d) The requirements of this subdivision shall not apply to any aircraft built by the original manufacturer prior to December 31, 1939, and owned and operated solely as a collector's item, if the owner files an affidavit with the commissioner. The affidavit shall state the owner's name and address, the name and address of the person from whom the aircraft was purchased, the make, year, and model number of the aircraft, the federal aircraft registration number, the manufacturer's identification number, and that the aircraft is owned and operated solely as a collector's item and not for general transportation purposes.

~~(e) A small unmanned aircraft system that meets the requirements of section 360.55, subdivision 9, is not subject to the requirements under paragraphs (a) and (b). Owners of small unmanned aircraft systems that meet the requirements of section 360.55, subdivision 9, must, at the time of registration, provide proof of insurability in a form acceptable to the commissioner. Additionally, such operators must maintain records and proof that each flight was insured for the limits established in paragraph (a).~~

Sec. 22. LEGISLATIVE ROUTE NO. 274 REMOVED.

(a) Minnesota Statutes, section 161.115, subdivision 205, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Yellow Medicine County to transfer jurisdiction of Legislative Route No. 274 and notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 23. LEGISLATIVE ROUTE NO. 301 REMOVED.

(a) Minnesota Statutes, section 161.115, subdivision 232, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of the city of St. Cloud to transfer jurisdiction of Legislative Route No. 301 and notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 24. REPEALER.

(a) Minnesota Statutes 2020, sections 168B.15; and 169.829, subdivision 2, are repealed.

(b) Minnesota Rules, part 8835.0350, subpart 2, is repealed.

(c) Laws 2000, chapter 479, article 2, section 1, as amended by Laws 2000, chapter 499, section 41, and by Laws 2001, First Special Session chapter 5, article 20, section 20, is repealed.

ARTICLE 8

METROPOLITAN COUNCIL

Section 1. Minnesota Statutes 2020, section 297A.993, is amended by adding a subdivision to read:

Subd. 2a. **Guideway uses, reporting.** By August 15 of each even-numbered year, a metropolitan area county that uses, or proposes to use, the proceeds of the transportation sales taxes to fund the planning, construction, operation, or maintenance of guideways as defined in section 473.4485, subdivision 1, must submit a report to the legislative committees with jurisdiction over transportation policy and finance. At a minimum, the report must include:

(1) actual transportation sales tax collections by the county over the previous five calendar years;

(2) an estimation of the total sales tax revenues that will be collected by the county in the current year and estimated collections for the next ten calendar years;

(3) for each of the previous five calendar years, the current calendar year, and for the next ten calendar years:

(i) the amount of sales tax revenues expended or proposed to be expended for guideway planning, construction, operation, or maintenance;

(ii) the total expenditures or proposed expenditures of sales tax revenues for nonguideway uses; and

(iii) an estimated balance of unspent or undesignated county sales tax revenues.

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

Sec. 2. Minnesota Statutes 2020, section 473.375, is amended by adding a subdivision to read:

Subd. 9b. **Safe accessibility training.** (a) The council must ensure that vehicle operators who provide bus service receive training on assisting persons with disabilities and mobility limitations to enter and leave the vehicle. The training must cover assistance in circumstances where regular access to or from the vehicle is unsafe due to snow, ice, or other obstructions. This subdivision applies to vehicle operators employed by the Metropolitan Council or by a replacement service provider.

(b) The council must consult with the Transportation Accessibility Advisory Committee on the training.

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. 3. Minnesota Statutes 2020, section 473.375, is amended by adding a subdivision to read:

Subd. 19. Statistics; reports. (a) The Metropolitan Council must post on the council's website a monthly report including ridership statistics for each guideway and busway in revenue operation. In each report, the council must also include the ridership projections made at the time of the full funding grant agreement for each guideway and busway. Within 60 days after the end of a month, the council must post the report for that month. The council must ensure that a report is available on the council's website for a minimum of five years after the report is posted.

(b) The council must post on the council's website a quarterly report including crime statistics for crimes occurring on a light rail transit vehicle, bus, commuter rail car, or at any transit platform, stop, or facility. The report must break down the data by type of crime. The council must ensure that a report is available on the council's website for a minimum of five years after the report is posted.

EFFECTIVE DATE; APPLICATION. This section is effective July 1, 2022, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 4. Minnesota Statutes 2020, section 473.39, subdivision 7, is amended to read:

Subd. 7. Limitation on certain debt obligations. The council is prohibited from issuing certificates of participation for ~~light rail transit~~ guideways secured in whole or in part by (1) a pledge of motor vehicle sales tax revenue received under sections 16A.88 and 297B.09, or (2) a pledge of any earnings from the council's investment of motor vehicle sales tax revenues.

EFFECTIVE DATE; APPLICATION. This section is effective July 1, 2022, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 5. Minnesota Statutes 2020, section 473.3993, subdivision 4, is amended to read:

Subd. 4. Responsible authority. "Responsible authority" means ~~either~~ the Metropolitan Council ~~or~~, the state of Minnesota acting through the commissioner of transportation, or a county board of a metropolitan county as designated by the governor under section 473.3994, subdivision 1a, for a particular light rail transit facility.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to projects that enter into full funding grant agreements on or after that date.

Sec. 6. Minnesota Statutes 2020, section 473.3994, subdivision 1a, is amended to read:

Subd. 1a. Designation of responsible authority. For each proposed light rail transit facility in the metropolitan area, the governor must designate ~~either~~ the Metropolitan Council ~~or~~, the state of Minnesota acting through the commissioner of transportation, or a county board of a metropolitan county as the entity responsible for planning, designing, acquiring, constructing, and equipping the facility. If a proposed light rail transit facility will be entirely located within a single metropolitan

area county, the governor must designate the county board of that county as the entity responsible for planning, designing, acquiring, constructing, and equipping the facility. Notwithstanding such designation, the commissioner and, the council, and the county board may enter into one or more cooperative agreements with respect to the planning, designing, acquiring, constructing, or equipping of a particular light rail transit facility that provide for the parties to exercise their respective authorities in support of the project in a manner that best serves the project and the public.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to projects that enter into full funding grant agreements on or after that date.

Sec. 7. **[473.4486] MUNICIPAL APPROVAL OF GUIDEWAY PLANS.**

Subdivision 1. **Application.** "Guideway" has the meaning given in section 473.4485, subdivision 1, paragraph (d), except that this section does not apply to light rail transit.

Subd. 2. **Preliminary design plans; public hearing.** Before final design plans are prepared for a guideway in the metropolitan area, the council must hold a public hearing on the physical design component of the preliminary design plans. The council must provide appropriate public notice of the hearing and publicity to ensure that affected parties have an opportunity to present their views at the hearing. The council must summarize the proceedings and testimony and maintain the record of a hearing held under this section, including any written statements submitted.

Subd. 3. **Preliminary design plans; local approval.** At least 30 days before the hearing under subdivision 2, the council must submit the physical design component of the preliminary design plans to the governing body of each statutory and home rule charter city, county, and town in which the route is proposed to be located. The city, county, or town must hold a public hearing. Within 45 days after the hearing under subdivision 2, the city, county, or town must review and approve or disapprove the plans for the route to be located in the city, county, or town. A local unit of government that disapproves the plans must describe specific amendments to the plans that, if adopted, would cause the local unit to withdraw its disapproval. Failure to approve or disapprove the plans in writing within 45 days after the hearing is deemed to be an approval unless an extension of time is agreed to by the city, county, or town and the council.

Subd. 4. **Preliminary design plans; council hearing.** If the governing body of one or more cities, counties, or towns disapproves the preliminary design plans within the period allowed under subdivision 3, the council must hold a hearing on the plans, giving any disapproving local governmental units and other persons an opportunity to present their views on the plans. The council may conduct an independent study as it deems desirable and may mediate and attempt to resolve disagreements about the plans. Within 60 days after the hearing, the council must review the plans and must decide what amendments to the plans, if any, must be made to accommodate the objections presented by the disapproving local governmental units. Amendments to the plans as decided by the council must be made before continuing the planning and designing process.

Subd. 5. **Final design plans.** (a) If the final design plans incorporate a substantial change from the preliminary design plans with respect to location, length, or termini of routes; general dimension, elevation, or alignment of routes and crossings; or shelters or stops, before beginning construction, the council must submit the changed component of the final design plans to the governing body of each statutory and home rule charter city, county, and town in which the changed component is

proposed to be located. Within 60 days after the submission of the plans, the city, county, or town must review and approve or disapprove the changed component located in the city, county, or town. A local unit of government that disapproves the change must describe specific amendments to the plans that, if adopted, would cause the local unit to withdraw its disapproval. Failure to approve or disapprove the changed plans in writing within the time period is deemed to be an approval, unless an extension is agreed to by the city, county, or town.

(b) If the governing body of one or more cities, counties, or towns disapproves the changed plans within the period allowed under paragraph (a), the council must review the final design plans under the same procedure and with the same effect as provided in subdivision 4 for preliminary design plans.

Subd. 6. **Revocation.** A city, county, or town that has approved the plan as provided by this section may revoke its approval of the plan at any point prior to the council securing federal funding for the project. The city, county, or town must notify the council of the revocation. Upon receipt of the notification, the council must review the final design plans under the same procedure and with the same effect as provided in subdivision 4 for preliminary design plans.

Subd. 7. **Prohibition.** The council must not apply for or request any federal funds for a guideway project until each city, county, or town in which the route is proposed to be located has approved of the plan as provided by this section.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all current and future guideways excluding the Gold Line bus rapid transit project.

Sec. 8. **[473.4487] GUIDEWAY COST-BENEFIT ANALYSIS.**

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

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

(c) "Project options" means the proposed guideway and each alternative identified pursuant to subdivision 2, paragraph (b).

(d) "Responsible governmental unit" means the unit of government responsible for the environmental analysis of the project.

Subd. 2. **Analysis required.** (a) Prior to the selection of a locally preferred alternative, the responsible governmental unit must perform a cost-benefit analysis as described by this section. The responsible governmental unit must submit the analysis to the commissioner and the Metropolitan Council within 30 days of completing the analysis. The commissioner must post the final analysis on the Department of Transportation website. The chair of the Metropolitan Council must post the final analysis on the council's website. The commissioner and the chair must jointly submit a copy of the final report to the legislative auditor and to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy.

(b) The responsible governmental unit must determine alternatives that would serve substantially the same area as the proposed guideway but would provide service in a different manner. At a

minimum, the alternatives must include an arterial bus rapid transit line, a regular route bus service line, and a nontransit option that expands capacity of the road.

(c) At a minimum, the analysis must include the following information:

(1) for guideway and busway project options, the estimated ridership numbers;

(2) for the capacity expansion option, the number of additional vehicles accommodated by the expansion;

(3) for each project option, an estimate of the increase or decrease of the number of vehicles on the road;

(4) the amount of revenue derived from or attributable to each project option, including but not limited to fares, tax on gasoline, and motor vehicle sales tax;

(5) for each project option, the estimated ongoing maintenance costs, which entity will pay for the costs, and the percentage of the costs to be paid by each entity;

(6) for each project option, the estimated future capital costs, which entity will pay for the costs, and the percentage of the costs to be paid by each entity;

(7) the estimated economic benefit attributable to each project option, including but not limited to new or expanded housing units or businesses, increased freight movement, and reduction of supply chain issues;

(8) for each project option, the estimated timeline for construction, road closures, and detours and an estimate on how that timeline affects the surrounding areas;

(9) for each project option, an estimate of whether vehicle collisions will increase or decrease due to a change in the projected number of vehicles on the road;

(10) for each project option, an analysis of whether each project option could be altered or stopped once construction is started and the estimated costs related to alteration or stopping;

(11) for each project option, travel time along the route from end to end and for various points of interest in between, including time spent waiting for transit, changing modes of transportation, and other time spent directly related to travel but not inside of a vehicle;

(12) for busway and guideway project options, how travel time for vehicles would be affected by any estimated reduction in vehicle traffic; and

(13) for each project option, the estimated increase or decrease in carbon emissions or other environmental pollutants.

(d) The analysis must also determine how many miles of arterial bus rapid transit, regular route bus service, or congestion mitigation construction could be funded for the amount proposed to be spent on the guideway.

(e) A responsible governmental unit may request assistance from the commissioner or Metropolitan Council. The commissioner or Metropolitan Council must provide the requested assistance and may bill the responsible governmental unit for reasonable expenses incurred in providing the assistance.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all guideways seeking state or federal funding on or after that date, except this section does not apply to the Gold Line bus rapid transit project. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 9. [473.4488] COUNTY RESPONSIBILITY FOR GUIDEWAY FUNDING.

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

(b) "Guideway" has the meaning given in section 473.4485, subdivision 1, paragraph (d).

(c) "Host county" means the county where the guideway is located.

Subd. 2. **Host county responsibility.** A host county is responsible for funding all aspects of guideways using nonstate sources. This includes but is not limited to costs for:

(1) planning, design, engineering, construction, prerevenue operations, and other costs associated with guideway development that exceed federal, state, local government, or other funds dedicated to the guideway. This requirement pertains to all costs associated with guideway development, including associated costs not eligible for federal funding;

(2) operating costs of guideway services determined by the service operator to be necessary to meet reasonable standards for access, safety, and reliability and that exceed fare revenues and federal, state, local government, or other funds dedicated to the guideway; and

(3) capital maintenance, replacement, and modernization costs determined by the operator of guideway services to be necessary to meet reasonable standards for access, safety, reliability, and upkeep of the guideway and that exceed federal, state, local government, or other funds dedicated to the guideway.

Subd. 3. **Prohibition.** (a) The state must not provide any funding for guideways or contribute in any manner to any costs related to guideways.

(b) The council must not impose any tax or fee to pay for any costs related to guideways, including any costs for which a host county is responsible pursuant to subdivision 2.

EFFECTIVE DATE; APPLICATION. This section is effective July 1, 2022, and applies to existing and future guideways in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, except this section does not apply to the Gold Line bus rapid transit project.

Sec. 10. Laws 2021, First Special Session chapter 5, article 4, section 143, is amended to read:

Sec. 143. **STUDY ON POST-COVID PANDEMIC PUBLIC TRANSPORTATION.**

(a) ~~From funds specified under Minnesota Statutes, section 161.53, paragraph (b), the commissioner of transportation~~ Using existing resources, the Metropolitan Council must arrange and pay for a study by the Center for Transportation Studies at the University of Minnesota that examines public transportation after the COVID-19 pandemic is substantially curtailed in the United States. At a minimum, the study must:

(1) focus primarily on transit service for commuters in the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2;

(2) specifically review Northstar Commuter Rail and commuter-oriented transit service by the Metropolitan Council and by the suburban transit providers; and

(3) provide analysis and projections on anticipated changes in:

(i) ridership;

(ii) demand for different modes and forms of active and public transportation;

(iii) transit service levels and features;

(iv) revenue and expenditures; and

(v) long-term impacts.

(b) ~~By February~~ October 1, 2023, the commissioner chair of the Metropolitan Council must provide a copy of the study to the members of the legislative committees with jurisdiction over transportation policy and finance.

EFFECTIVE DATE. This section is effective the day following final enactment. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 11. GUIDEWAY COST-BENEFIT ANALYSIS; TRANSITION.

(a) This section applies to a guideway for which a locally preferred alternative has been selected prior to the effective date of this section but is not in revenue operation on the effective date of this section, except this section does not apply to the gold line bus rapid transit project.

(b) For each guideway subject to this section, the commissioner of transportation and the Metropolitan Council must perform a cost-benefit analysis as required by Minnesota Statutes, section 473.4487, subdivision 2, paragraphs (b), (c), and (d). Within 30 days of completing a cost-benefit analysis required by this section, the commissioner must post the final analysis on the Department of Transportation's website and the Metropolitan Council must post the final analysis on the council's website. The commissioner and the council must jointly submit a copy of the final report to the legislative auditor and to the chairs and ranking minority members of legislative committees with jurisdiction over transportation finance and policy.

EFFECTIVE DATE. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 12. REQUEST TO TERMINATE NORTHSTAR COMMUTER RAIL OPERATIONS.

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

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

(c) "Council" means the Metropolitan Council.

(d) "FTA" means the Federal Transit Administration.

(e) "Northstar" means the Northstar Commuter Rail line that provides rail passenger service between downtown Minneapolis and Big Lake, including stops in Fridley, Coon Rapids, Anoka, Ramsey, and Elk River.

Subd. 2. **Federal approval.** Within 30 days of the enactment of this section, the council and the commissioner must request approval from the FTA to discontinue Northstar operations. As part of the request, the council and commissioner must specify that the state will not reimburse the FTA or any other federal agency for federal funds spent on Northstar. Within seven days of receiving a response to the request, the council and commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance on the outcome of the request. The report must include a copy of the request submitted to the FTA and a copy of the FTA's response. If the FTA grants the request, the commissioner and council must submit to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance a proposed plan to terminate Northstar operations. The plan must be submitted within 90 days after the FTA grants the request.

EFFECTIVE DATE. This section is effective the day following final enactment. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 13. **SUSPENSION OF GUIDEWAY ACTIVITIES.**

The Metropolitan Council must not take any action or spend any money for study, planning, preliminary engineering, final design, or construction for any proposed guideway. This does not apply to the Gold Line bus rapid transit project or the Green Line Extension light rail transit line, also known as the Southwest Light Rail project. This section expires when the Green Line Extension light rail transit line begins revenue operations.

EFFECTIVE DATE. This section is effective the day following final enactment. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Delete the title and insert:

"A bill for an act relating to transportation; appropriating money for transportation purposes; modifying prior appropriations; authorizing the sale and issuance of bonds; modifying various transportation, transit, driver, and vehicle policy provisions; authorizing rulemaking; establishing task forces; requiring legislative reports; amending Minnesota Statutes 2020, sections 3.9741, subdivision 5; 160.08, subdivision 7; 161.088, subdivisions 1, 2, 4, by adding subdivisions; 161.115, by adding a subdivision; 162.07, subdivision 2; 162.13, subdivision 2; 162.145, subdivisions 2, 4; 168.002, by adding a subdivision; 168.013, subdivision 1m, by adding subdivisions; 168.123, subdivision 2; 168.1235, subdivision 1; 168.1253, subdivision 3; 168.27, subdivisions 11, 31;

168.327, subdivisions 2, 3, by adding a subdivision; 168.33, subdivision 7; 168A.01, subdivision 17b, by adding a subdivision; 168A.04, subdivisions 1, 4; 168A.05, subdivision 3; 168A.11, subdivision 3; 168A.151, subdivision 1; 168A.152, subdivisions 1, 1a; 168B.045; 168B.07, subdivision 1; 169.011, by adding subdivisions; 169.09, by adding a subdivision; 169.865, subdivision 1a; 171.01, by adding a subdivision; 171.02, subdivision 3; 171.05, subdivision 2; 171.06, by adding a subdivision; 171.061, subdivision 4; 171.07, subdivisions 4, 15; 171.0705, by adding a subdivision; 171.12, subdivision 1a; 171.13, subdivision 1a; 174.185, as amended; 174.52, subdivision 3; 297A.94; 297A.993, by adding a subdivision; 299A.705, subdivision 1, by adding a subdivision; 325F.662, subdivision 3; 325F.6641; 325F.6642; 325F.665, subdivision 14; 473.375, by adding subdivisions; 473.39, subdivision 7; 473.3993, subdivision 4; 473.3994, subdivision 1a; Minnesota Statutes 2021 Supplement, sections 161.088, subdivision 5; 162.145, subdivision 3; 168.327, subdivision 1; 169.09, subdivision 13; 171.071, subdivision 4; 171.13, subdivisions 1, 7; 171.27, subdivisions 1, 2; 360.55, subdivision 9; 360.59, subdivision 10; Laws 2019, First Special Session chapter 3, article 2, section 34, subdivision 8; Laws 2021, First Special Session chapter 5, article 1, sections 2, subdivision 2; 3; 4, subdivisions 3, 4, 5; article 4, sections 131; 143; proposing coding for new law in Minnesota Statutes, chapters 161; 168; 169; 171; 473; repealing Minnesota Statutes 2020, sections 168.345, subdivision 1; 168A.01, subdivision 17a; 168B.15; 169.829, subdivision 2; 325F.6644; Laws 2000, chapter 479, article 2, section 1, as amended; Minnesota Rules, parts 7410.6180; 7410.6420, subpart 3; 7410.6520, subpart 3; 7411.0535; 8835.0350, subpart 2."

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

ADJOURNMENT

Senator Newman moved that the Senate do now adjourn until 12:00 noon, Wednesday, April 6, 2022. The motion prevailed.

Cal R. Ludeman, Secretary of the Senate