

FORTY-FIRST DAY

St. Paul, Minnesota, Monday, March 27, 2023

The Senate met at 10:00 a.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Daniel Haugan.

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

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

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

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 146, 1200, and 1656.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted March 23, 2023

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 146: A bill for an act relating to children; preventing the use of subpoenas to gather information for out-of-state laws interfering in the use of gender-affirming health care; amending child custody and child welfare provisions related to out-of-state laws interfering in the use of gender-affirming health care; amending provisions related to warrants, arrests, and extraditions related to out-of-state laws on gender-affirming health care; amending Minnesota Statutes 2022, sections 518D.201; 518D.204; 518D.207; 629.02; 629.05; 629.06; 629.13; 629.14; proposing coding for new law in Minnesota Statutes, chapters 260; 543.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 63.

H.F. No. 1200: A bill for an act relating to corrections; requiring state and local jail and prison inmates to be housed in publicly owned and operated jails and prisons; prohibiting the state and counties from contracting with private prisons; amending Minnesota Statutes 2022, section 241.01, subdivision 3a; proposing coding for new law in Minnesota Statutes, chapters 243; 641.

Referred to the Committee on Judiciary and Public Safety.

H.F. No. 1656: A bill for an act relating to energy; establishing grant programs to enhance the competitiveness of Minnesota entities in obtaining federal money for energy projects; creating an account; requiring a report; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 216C.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1622, now on General Orders.

REPORTS OF COMMITTEES

Senator Morrison moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 63, 2753, and 2983.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 39 and nays 18, as follows:

Those who voted in the affirmative were:

Abeler	Draheim	Housley	Mitchell	Pratt
Boldon	Fateh	Kunesh	Mohamed	Putnam
Carlson	Frentz	Kupec	Morrison	Rest
Champion	Gruenhagen	Latz	Murphy	Seeberger
Coleman	Gustafson	Limmer	Nelson	Westlin
Cwodzinski	Hauschild	Mann	Oumou Verbeten	Wiklund
Dibble	Hawj	Marty	Pappas	Xiong
Dornink	Hoffman	Maye Quade	Port	

Those who voted in the negative were:

Anderson	Eichorn	Jasinski	Lucero	Utke
Bahr	Farnsworth	Johnson	Mathews	Weber
Dahms	Green	Koran	Rarick	
Drazkowski	Howe	Kreun	Rasmusson	

The motion prevailed.

Senator Frentz from the Committee on Energy, Utilities, Environment, and Climate, to which was referred

S.F. No. 2542: A bill for an act relating to energy; including certain uses of B100 fuel as a carbon-free energy technology; amending Minnesota Statutes 2022, section 216B.1691, subdivision 2g, as added.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2022, section 216B.164, is amended by adding a subdivision to read:

Subd. 12. **Customer's access to electricity usage data.** A utility must provide a customer's electricity usage data to the customer within ten days of the date the utility receives a request from the customer that is accompanied by evidence that the energy usage data is relevant to the interconnection of a qualifying facility on behalf of the customer. For the purposes of this subdivision, "electricity usage data" includes but is not limited to: (1) the total amount of electricity used by a customer monthly; (2) usage by time period if the customer operates under a tariff where costs vary by time-of-use; and (3) usage data that is used to calculate a customer's demand charge.

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

Sec. 2. Minnesota Statutes 2022, section 216B.2402, subdivision 16, is amended to read:

Subd. 16. **Low-income household.** "Low-income household" means a household whose household income:

(1) is ~~60~~ 80 percent or less of the ~~state area~~ median household income; for the geographic area in which the low-income household is located, as calculated by the federal Department of Housing and Urban Development; or

(2) meets the income eligibility standards, as determined by the commissioner, required for a household to receive financial assistance from a federal, state, municipal, or utility program administered or approved by the department.

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

Sec. 3. Minnesota Statutes 2022, section 216B.2425, subdivision 3, is amended to read:

Subd. 3. **Commission approval.** (a) By June 1 of each even-numbered year, the commission shall adopt a state transmission project list and shall certify, certify as modified, or deny certification of the transmission and distribution projects proposed under subdivision 2. Except as provided in paragraph (b), the commission may only certify a project that is a high-voltage transmission line as defined in section 216B.2421, subdivision 2, that the commission finds is:

(1) necessary to maintain or enhance the reliability of electric service to Minnesota consumers;

(2) needed, applying the criteria in section 216B.243, subdivision 3; and

(3) in the public interest, taking into account electric energy system needs and economic, environmental, and social interests affected by the project.

(b) The commission may certify a project proposed under subdivision 2, paragraph (e), only if the commission finds the proposed project is in the public interest.

Sec. 4. Minnesota Statutes 2022, section 216B.243, subdivision 8, as amended by Laws 2023, chapter 7, section 23, is amended to read:

Subd. 8. **Exemptions.** (a) This section does not apply to:

(1) cogeneration or small power production facilities as defined in the Federal Power Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and paragraph (18), subparagraph (A), and having a combined capacity at a single site of less than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or any case where the commission has determined after being advised by the attorney general that its application has been preempted by federal law;

(2) a high-voltage transmission line proposed primarily to distribute electricity to serve the demand of a single customer at a single location, unless the applicant opts to request that the commission determine need under this section or section 216B.2425;

(3) the upgrade to a higher voltage of an existing transmission line that serves the demand of a single customer that primarily uses existing rights-of-way, unless the applicant opts to request that the commission determine need under this section or section 216B.2425;

(4) a high-voltage transmission line of one mile or less required to connect a new or upgraded substation to an existing, new, or upgraded high-voltage transmission line;

(5) conversion of the fuel source of an existing electric generating plant to using natural gas;

(6) the modification of an existing electric generating plant to increase efficiency, as long as the capacity of the plant is not increased more than ten percent or more than 100 megawatts, whichever is greater;

(7) a large wind energy conversion system, as defined in section 216F.01, subdivision 2, or a solar energy generating system, as defined in section 216E.01, subdivision 9a, ~~if the system is owned and operated by an independent power producer and the electric output of the system:~~

~~(i) is not sold to an entity that provides retail service in Minnesota or wholesale electric service to another entity in Minnesota other than an entity that is a federally recognized regional transmission organization or independent system operator; or~~

~~(ii) is sold to an entity that provides retail service in Minnesota or wholesale electric service to another entity in Minnesota other than an entity that is a federally recognized regional transmission organization or independent system operator, provided that the system represents solar or wind capacity that the entity purchasing the system's electric output was ordered by the commission to develop in the entity's most recent integrated resource plan approved under section 216B.2422 if a site permit application under chapter 216E or 216F is initially submitted by an independent power producer; or~~

(8) a large wind energy conversion system, as defined in section 216F.01, subdivision 2, or a solar energy generating system that is a large energy facility, as defined in section 216B.2421, subdivision 2, engaging in a repowering project that:

(i) will not result in the system exceeding the nameplate capacity under its most recent interconnection agreement; or

(ii) will result in the system exceeding the nameplate capacity under its most recent interconnection agreement, provided that the Midcontinent Independent System Operator has provided a signed generator interconnection agreement that reflects the expected net power increase.

(b) For the purpose of this subdivision, "repowering project" means:

(1) modifying a large wind energy conversion system or a solar energy generating system that is a large energy facility to increase its efficiency without increasing its nameplate capacity;

(2) replacing turbines in a large wind energy conversion system without increasing the nameplate capacity of the system; or

(3) increasing the nameplate capacity of a large wind energy conversion system.

Sec. 5. [216B.491] DEFINITIONS.

Subdivision 1. **Scope.** For the purposes of sections 216B.491 to 216B.499, the terms defined in this subdivision have the meanings given.

Subd. 2. **Ancillary agreement.** "Ancillary agreement" means any bond, insurance policy, letter of credit, reserve account, surety bond, interest rate lock or swap arrangement, liquidity or credit support arrangement, or other financial arrangement entered into in connection with extraordinary event bonds that is designed to promote the credit quality and marketability of extraordinary event bonds or to mitigate the risk of an increase in interest rates.

Subd. 3. **Assignee.** "Assignee" means any person to which an interest in extraordinary event property is sold, assigned, transferred, or conveyed, other than as security, and any successor to or subsequent assignee of the person.

Subd. 4. **Bondholder.** "Bondholder" means any holder or owner of extraordinary event bonds.

Subd. 5. **Customer.** "Customer" means a person who purchases natural gas or natural gas transportation services from a utility in Minnesota but does not include a person who:

(1) purchases natural gas transportation services from a utility in Minnesota that serves fewer than 600,000 natural gas customers in Minnesota; and

(2) does not purchase natural gas from a utility in Minnesota.

Subd. 6. **Extraordinary event.** (a) "Extraordinary event" means an event arising from unforeseen circumstances and of sufficient magnitude, as determined by the commission:

(1) to impose significant costs on customers; and

(2) for which the issuance of extraordinary event bonds in response to the event meets the conditions of section 216B.492, subdivision 2, as determined by the commission.

(b) Extraordinary event includes but is not limited to a storm event or other natural disaster, an act of God, war, terrorism, sabotage or vandalism, a cybersecurity attack, or a temporary significant increase in the wholesale price of natural gas.

Subd. 7. **Extraordinary event activity.** "Extraordinary event activity" means an activity undertaken by or on behalf of a utility to restore or maintain the utility's ability to provide natural gas service following one or more extraordinary events, including but not limited to activities related to mobilization, staging, construction, reconstruction, replacement, or repair of natural gas transmission, distribution, storage, or general facilities.

Subd. 8. **Extraordinary event bonds.** "Extraordinary event bonds" means debt securities, including but not limited to senior secured bonds, debentures, notes, certificates of participation, certificates of beneficial interest, certificates of ownership, or other evidences of indebtedness or ownership, that (1) have a scheduled maturity of no longer than 30 years and a final legal maturity date that is not later than 32 years from the issue date, (2) are rated AA or Aa2 or better by a major independent credit rating agency at the time of issuance, and (3) are issued by a utility or an assignee under a financing order.

Subd. 9. **Extraordinary event charge.** "Extraordinary event charge" means a nonbypassable charge that:

(1) a utility that is the subject of a financing order or the utility's successors or assignees imposes on all of the utility's customers;

(2) is separate from the utility's base rates; and

(3) provides a source of revenue solely to repay, finance, or refinance extraordinary event costs.

Subd. 10. **Extraordinary event costs.** "Extraordinary event costs":

(1) means all incremental costs of extraordinary event activities that are approved by the commission in a financing order issued under section 216B.492 as being:

(i) necessary to enable the utility to restore or maintain natural gas service to customers after the utility experiences an extraordinary event; and

(ii) prudent and reasonable;

(2) includes costs to repurchase equity or retire any indebtedness relating to extraordinary event activities;

(3) are net of applicable insurance proceeds, tax benefits, and any other amounts intended to reimburse the utility for extraordinary event activities, including government grants or aid of any kind;

(4) do not include any monetary penalty, fine, or forfeiture assessed against a utility by a government agency or court under a federal or state environmental statute, rule, or regulation; and

(5) must be adjusted to reflect:

(i) the difference, as determined by the commission, between extraordinary event costs that the utility expects to incur and actual, reasonable, and prudent costs incurred; or

(ii) a more fair or reasonable allocation of extraordinary event costs to customers over time, as expressed in a commission order, provided that after the issuance of extraordinary event bonds relating to the extraordinary event costs, the adjustment must not (A) impair the value of the extraordinary event property relating to the extraordinary event bonds, or (B) reduce, alter, or impair extraordinary event charges relating to the extraordinary event bonds, until all principal and interest payable on the extraordinary event bonds, all financing costs for the extraordinary event bonds, and all amounts to be paid to an assignee or financing party under an ancillary agreement relating to the extraordinary event bonds are paid in full.

Subd. 11. Extraordinary event property. "Extraordinary event property" means:

(1) all rights and interests of a utility or the utility's successor or assignee under a financing order for the right to impose, bill, collect, receive, and obtain periodic adjustments to extraordinary event charges authorized under a financing order issued by the commission; and

(2) all revenue, collections, claims, rights to payments, payments, money, or proceeds arising from the rights and interests specified in clause (1), regardless of whether any are commingled with other revenue, collections, rights to payment, payments, money, or proceeds.

Subd. 12. Extraordinary event revenue. "Extraordinary event revenue" means revenue, receipts, collections, payments, money, claims, or other proceeds arising from extraordinary event property.

Subd. 13. Financing costs. "Financing costs" means:

(1) principal, interest, and redemption premiums that are payable on extraordinary event bonds;

(2) payments required under an ancillary agreement and amounts required to fund or replenish a reserve account or other accounts established under the terms of any indenture, ancillary agreement, or other financing document pertaining to extraordinary event bonds;

(3) other demonstrable costs related to issuing, supporting, repaying, refunding, and servicing extraordinary event bonds, including but not limited to servicing fees, accounting and auditing fees, trustee fees, legal fees, consulting fees, financial adviser fees, administrative fees, placement and underwriting fees, capitalized interest, rating agency fees, stock exchange listing and compliance fees, security registration fees, filing fees, information technology programming costs, and any other demonstrable costs necessary to otherwise ensure and guarantee the timely payment of extraordinary event bonds or other amounts or charges payable in connection with extraordinary event bonds;

(4) taxes and license fees imposed on the revenue generated from collecting an extraordinary event charge;

(5) state and local taxes, including franchise, sales and use, and other taxes or similar charges, including but not limited to regulatory assessment fees, whether paid, payable, or accrued; and

(6) costs incurred by the commission to hire and compensate additional temporary staff needed to perform the commission's responsibilities under this section and, in accordance with section 216B.494, to engage specialized counsel and expert consultants experienced in securitized utility ratepayer-backed bond financings similar to extraordinary event bond financings.

Subd. 14. **Financing order.** "Financing order" means an order issued by the commission under section 216B.492 that authorizes an applicant to:

- (1) issue extraordinary event bonds in one or more series;
- (2) impose, charge, and collect extraordinary event charges; and
- (3) create extraordinary event property.

Subd. 15. **Financing party.** "Financing party" means a holder of extraordinary event bonds and a trustee, a collateral agent, a party under an ancillary agreement, or any other person acting for the benefit of extraordinary event bondholders.

Subd. 16. **Natural gas facility.** "Natural gas facility" means natural gas pipelines, including distribution lines, underground storage areas, liquefied natural gas facilities, propane storage tanks, and other facilities the commission determines are used and useful to provide natural gas service to retail and transportation customers in Minnesota.

Subd. 17. **Nonbypassable.** "Nonbypassable" means an extraordinary event charge required to pay (1) principal and interest on extraordinary event bonds, and (2) other financing costs, that a retail customer located within a utility service area cannot avoid and must pay.

Subd. 18. **Pretax costs.** "Pretax costs" means costs incurred by a utility and approved by the commission, including but not limited to:

- (1) unrecovered capitalized costs of replaced natural gas facilities damaged or destroyed by an extraordinary event;
- (2) costs to decommission and restore the site of a natural gas facility damaged or destroyed by an extraordinary event;

(3) other applicable capital and operating costs, accrued carrying charges, deferred expenses, reductions for applicable insurance, and salvage proceeds; and

(4) costs to retire any existing indebtedness, fees, costs, and expenses to modify existing debt agreements, or for waivers or consents related to existing debt agreements.

Subd. 19. **Storm event.** "Storm event" means a tornado, derecho, ice or snow storm, wildfire, flood, earthquake, or other significant weather or natural disaster that causes substantial damage to a utility's infrastructure.

Subd. 20. **Successor.** "Successor" means a legal entity that succeeds by operation of law to the rights and obligations of another legal entity as a result of bankruptcy, reorganization, restructuring, other insolvency proceeding, merger, acquisition, consolidation, or sale or transfer of assets.

Subd. 21. **Utility.** "Utility" means a public utility, as defined in section 216B.02, subdivision 4, that provides natural gas service to Minnesota customers. Utility includes the utility's successors or assignees.

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

Sec. 6. **[216B.492] FINANCING ORDER.**

Subdivision 1. **Application.** (a) A utility may file an application with the commission for the issuance of a financing order to enable the utility to recover extraordinary event costs through the issuance of extraordinary event bonds under this section.

(b) The application must include the following information, as applicable:

(1) a description of each natural gas facility to be repaired or replaced;

(2) the undepreciated value remaining in the natural gas facility whose repair or replacement is proposed to be financed through the issuance of extraordinary event bonds under sections 216B.491 to 216B.499, and the method used to calculate the amount;

(3) the estimated costs imposed on customers resulting from an extraordinary event that involves no physical damage to natural gas facilities;

(4) the estimated savings or estimated mitigation of rate impacts to utility customers if the financing order is issued as requested in the application, calculated by comparing the costs to customers that are expected to result from implementing the financing order and the estimated costs associated with implementing traditional utility financing mechanisms with respect to the same undepreciated balance, expressed in net present value terms;

(5) a description of (i) the nonbypassable extraordinary event charge utility customers would be required to pay in order to fully recover financing costs, and (ii) the method and assumptions used to calculate the amount;

(6) a proposed methodology to allocate the revenue requirement for the extraordinary event charge among the utility's customer classes;

(7) a description of a proposed adjustment mechanism that is implemented when necessary to correct any overcollection or undercollection of extraordinary event charges, in order to complete payment of scheduled principal and interest on extraordinary event bonds and other financing costs in a timely fashion;

(8) a memorandum with supporting exhibits, from a securities firm that is experienced in the marketing of securitized utility ratepayer-backed bonds and that is approved by the commissioner of management and budget, indicating the proposed issuance satisfies the current published AA or Aa2 or higher rating or equivalent rating criteria of at least one nationally recognized securities rating organization for issuances similar to the proposed extraordinary event bonds;

(9) an estimate of the timing of the issuance and the term of the extraordinary event bonds, or series of bonds, provided that the scheduled final maturity for each bond issuance does not exceed 30 years;

(10) identification of plans to sell, assign, transfer, or convey, other than as a security, interest in extraordinary event property, including identification of an assignee, and demonstration that the assignee is a financing entity that is wholly owned, directly or indirectly, by the utility;

(11) identification of ancillary agreements that may be necessary or appropriate;

(12) one or more alternative financing scenarios in addition to the preferred scenario contained in the application;

(13) the extent of damage to the utility's natural gas facility caused by an extraordinary event and the estimated costs to repair or replace the damaged natural gas facility;

(14) a schedule of the proposed repairs to and replacement of the damaged natural gas facility;

(15) a description of the steps taken to provide customers interim natural gas service while the damaged natural gas facility is being repaired or replaced; and

(16) a description of the impacts on the utility's current workforce resulting from implementing a repair or replacement plan following an extraordinary event.

Subd. 2. **Findings.** After providing notice and holding a public hearing on an application filed under subdivision 1, the commission may issue a financing order if the commission finds that:

(1) the extraordinary event costs described in the application are reasonable;

(2) the proposed issuance of extraordinary event bonds and the imposition and collection of extraordinary event charges:

(i) are just and reasonable;

(ii) are consistent with the public interest;

(iii) constitute a prudent and reasonable mechanism to finance the extraordinary event costs; and

(iv) provide tangible and quantifiable benefits to customers, either by providing lower overall costs or mitigating rate impacts relative to traditional methods of financing, that exceed the benefits that would have been achieved absent the issuance of extraordinary event bonds; and

(3) the proposed structuring, marketing, and pricing of the extraordinary event bonds:

(i) lower overall costs to customers or mitigate rate impacts to customers relative to traditional methods of financing; and

(ii) achieve customer savings or mitigation of rate impacts to customers, as determined by the commission in a financing order, consistent with market conditions at the time of sale and the terms of the financing order.

Subd. 3. **Contents.** (a) A financing order issued under this section must:

(1) determine the maximum amount of extraordinary event costs that may be financed from proceeds of extraordinary event bonds issued pursuant to the financing order;

(2) describe the proposed customer billing mechanism for extraordinary event charges and include a finding that the mechanism is just and reasonable;

(3) describe the financing costs that may be recovered through extraordinary event charges and the period over which the costs may be recovered, which must end no earlier than the date of final legal maturity of the extraordinary event bonds;

(4) describe the extraordinary event property that is created and that may be used to pay, and secure the payment of, principal and interest on the extraordinary event bonds and other financing costs authorized in the financing order;

(5) authorize the utility to finance extraordinary event costs through the issuance of one or more series of extraordinary event bonds. A utility is not required to secure a separate financing order for each issuance of extraordinary event bonds or for each scheduled phase of the replacement of natural gas facilities approved in the financing order;

(6) include a formula-based mechanism that must be used to make expeditious periodic adjustments to the extraordinary event charges authorized by the financing order that are necessary to correct for any overcollection or undercollection, or to otherwise provide for the timely payment of extraordinary event bonds, other financing costs, and other required amounts and charges payable in connection with extraordinary event bonds;

(7) specify the degree of flexibility afforded to the utility in establishing the terms and conditions of the extraordinary event bonds, including but not limited to repayment schedules, expected interest rates, and other financing costs;

(8) specify that the extraordinary event bonds must be issued, subject to market conditions and the terms of the financing order, as soon as feasible following issuance of the financing order;

(9) require the utility, at the same time as extraordinary event charges are initially collected and independent of the schedule to close and decommission any natural gas facility replaced as the result

of an extraordinary event, if any, to remove the natural gas facility from the utility's rate base and commensurately reduce the utility's base rates;

(10) specify a future ratemaking process to reconcile any difference between the projected pretax costs included in the amount financed by extraordinary event bonds and the final actual pretax costs incurred by the utility to retire or replace the natural gas facility, if any;

(11) specify information regarding extraordinary event bond issuance and repayments, financing costs, energy transaction charges, extraordinary event property, and related matters that the natural gas utility is required to provide to the commission on a schedule determined by the commission;

(12) allow or require the creation of a utility's extraordinary event property to be conditioned on, and occur simultaneously with, the sale or other transfer of the extraordinary event property to an assignee and the pledge of the extraordinary event property to secure the extraordinary event bonds;

(13) ensure that the structuring, marketing, and pricing of extraordinary event bonds result in reasonable securitization bond charges and customer savings or rate impact mitigation, consistent with market conditions and the terms of the financing order; and

(14) specify that a utility financing the replacement of one or more natural gas facilities after the natural gas facilities subject to the finance order are removed from the utility's rate base is prohibited from:

(i) operating the natural gas facilities; or

(ii) selling the natural gas facilities to another entity to operate as natural gas facilities.

(b) A financing order issued under this section may:

(1) include conditions different from those requested in the application that the commission determines are necessary to:

(i) promote the public interest; and

(ii) maximize the financial benefits or minimize the financial risks of the transaction to customers and to directly impacted Minnesota workers and communities; and

(2) specify the selection of one or more underwriters of the extraordinary event bonds.

Subd. 4. **Duration; irrevocability; subsequent order.** (a) A financing order remains in effect until the extraordinary event bonds issued under the financing order and all financing costs related to the extraordinary event bonds have been paid in full.

(b) A financing order remains in effect and unabated notwithstanding the bankruptcy, reorganization, or insolvency of the utility to which the financing order applies or any affiliate, successor, or assignee of the utility to which the financing order applies.

(c) Subject to judicial review under section 216B.52, a financing order is irrevocable and is not reviewable by a future commission. The commission must not: (1) reduce, impair, postpone, or

terminate extraordinary event charges approved in a financing order; or (2) impair extraordinary event property or the collection or recovery of extraordinary event charges and extraordinary event revenue.

(d) Notwithstanding paragraph (c), the commission may, on the commission's own motion or at the request of a utility or any other person, commence a proceeding and issue a subsequent financing order that provides for refinancing, retiring, or refunding extraordinary event bonds issued under the original financing order if:

(1) the commission makes all of the findings specified in subdivision 2 with respect to the subsequent financing order; and

(2) the modification contained in the subsequent financing order does not in any way impair the covenants and terms of the extraordinary event bonds being refinanced, retired, or refunded.

Subd. 5. **Effect on commission jurisdiction.** (a) Except as provided in paragraph (b), the commission, in exercising the powers and carrying out the duties under this section, is prohibited from:

(1) considering extraordinary event bonds issued under this section to be debt of the utility other than for income tax purposes, unless it is necessary to consider the extraordinary event bonds to be debt in order to achieve consistency with prevailing utility debt rating methodologies;

(2) considering the extraordinary event charges paid under the financing order to be revenue of the utility;

(3) considering the extraordinary event costs or financing costs specified in the financing order to be the regulated costs or assets of the utility; or

(4) determining that any prudent action taken by a utility that is consistent with the financing order is unjust or unreasonable.

(b) Nothing in this subdivision:

(1) affects the authority of the commission to apply or modify any billing mechanism designed to recover extraordinary event charges;

(2) prevents or precludes the commission from (i) investigating a utility's compliance with the terms and conditions of a financing order, and (ii) requiring compliance with the financing order; or

(3) prevents or precludes the commission from imposing regulatory sanctions against a utility for failure to comply with the terms and conditions of a financing order or the requirements of this section.

(c) The commission is prohibited from refusing to allow a utility to recover any costs associated with the replacement of natural gas facilities solely because the utility has elected to finance the natural gas facility replacement through a financing mechanism other than extraordinary event bonds.

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

Sec. 7. [216B.493] POSTORDER COMMISSION DUTIES.

Subdivision 1. **Financing cost review.** Within 120 days after the date extraordinary event bonds are issued, a utility subject to a financing order must file with the commission the actual initial and ongoing financing costs, the final structure and pricing of the extraordinary event bonds, and the actual extraordinary event charge. The commission must review the prudence of the natural gas utility's actions to determine whether the actual financing costs were the lowest that could reasonably be achieved given the terms of the financing order and market conditions prevailing at the time of the extraordinary event bond's issuance.

Subd. 2. **Enforcement.** If the commission determines that a utility's actions under this section are not prudent or are inconsistent with the financing order, the commission may apply remedies deemed appropriate for utility actions, provided that any remedy applied must not directly or indirectly (1) impair the value of the extraordinary event property, or (2) reduce, alter, or impair extraordinary event charges, until all principal and interest payable on the extraordinary event bonds, all financing costs, and all amounts to be paid to an assignee or financing party under an ancillary agreement are paid in full.

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

Sec. 8. [216B.494] USE OF OUTSIDE EXPERTS.

(a) In carrying out the duties under this section, the commission may:

(1) contract with outside consultants and counsel experienced in securitized utility customer-backed bond financing similar to extraordinary event bonds; and

(2) hire and compensate additional temporary staff as needed.

Expenses incurred by the commission under this paragraph must be treated as financing costs to be paid by the extraordinary event revenue. The costs incurred under clause (1) are not an obligation of the state and are assigned solely to the transaction.

(b) A utility presented with a written request from the commission for reimbursement of the commission's expenses incurred under paragraph (a), accompanied by a detailed account of those expenses, must remit full payment of the expenses to the commission within 30 days of receiving the request.

(c) If a utility's application for a financing order is denied or withdrawn for any reason and extraordinary event bonds are not issued, the commission's costs to retain expert consultants under this section must be paid by the applicant utility and are deemed a prudent deferred expense eligible for recovery in the utility's future rates.

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

Sec. 9. [216B.495] EXTRAORDINARY EVENT CHARGE; BILLING TREATMENT.

(a) A utility that obtains a financing order and issues extraordinary event bonds must:

(1) include on each customer's monthly natural gas bill:

(i) a statement that a portion of the charges represents extraordinary event charges approved in a financing order;

(ii) the amount and rate of the extraordinary event charge as a separate line item titled "extraordinary event charge"; and

(iii) if extraordinary event property has been transferred to an assignee, a statement that the assignee is the owner of the rights to extraordinary event charges and that the utility or other entity, if applicable, is acting as a collection agent or servicer for the assignee; and

(2) file annually with the commission:

(i) a calculation that identifies the impact financing the retirement or replacement of natural gas facilities has on customer rates, itemized by customer class; and

(ii) evidence demonstrating that extraordinary event revenues are applied solely to pay (A) principal and interest on extraordinary event bonds, and (B) other financing costs.

(b) Extraordinary event charges are nonbypassable and must be paid by all existing and future customers receiving service from the utility or the utility's successors or assignees under commission-approved rate schedules or special contracts.

(c) A utility's failure to comply with this section does not invalidate, impair, or affect any financing order, extraordinary event property, extraordinary event charge, or extraordinary event bonds, but does subject the utility to penalties under applicable commission rules provided that any penalty applied must not directly or indirectly (1) impair the value of the extraordinary event property, or (2) reduce, alter, or impair extraordinary event charges, until all principal and interest payable on the extraordinary event bonds, all financing costs, and all amounts to be paid to an assignee or financing party under an ancillary agreement are paid in full.

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

Sec. 10. [216B.496] EXTRAORDINARY EVENT PROPERTY.

Subdivision 1. General. (a) Extraordinary event property is an existing present property right or interest in a property right, even though the imposition and collection of extraordinary event charges depend on the utility collecting extraordinary event charges and on future natural gas consumption. The property right or interest exists regardless of whether the revenues or proceeds arising from the extraordinary event property have been billed, have accrued, or have been collected.

(b) Extraordinary event property exists until all extraordinary event bonds issued under a financing order are paid in full and all financing costs and other costs of the extraordinary event bonds have been recovered in full.

(c) All or any portion of extraordinary event property described in a financing order issued to a utility may be transferred, sold, conveyed, or assigned to a successor or assignee that is wholly owned, directly or indirectly, by the utility and is created for the limited purpose of acquiring, owning, or administering extraordinary event property or issuing extraordinary event bonds authorized

by the financing order. All or any portion of extraordinary event property may be pledged to secure extraordinary event bonds issued under a financing order, amounts payable to financing parties and to counterparties under any ancillary agreements, and other financing costs. Each transfer, sale, conveyance, assignment, or pledge by a utility or an affiliate of extraordinary event property is a transaction in the ordinary course of business.

(d) If a utility defaults on any required payment of charges arising from extraordinary event property described in a financing order, a court, upon petition by an interested party and without limiting any other remedies available to the petitioner, must order the sequestration and payment of the revenues arising from the extraordinary event property to the financing parties.

(e) The interest of a transferee, purchaser, acquirer, assignee, or pledgee in extraordinary event property specified in a financing order issued to a utility, and in the revenue and collections arising from the property, is not subject to setoff, counterclaim, surcharge, or defense by the utility or any other person, or in connection with the reorganization, bankruptcy, or other insolvency of the utility or any other entity.

(f) A successor to a utility, whether resulting from a reorganization, bankruptcy, or other insolvency proceeding, merger or acquisition, sale, other business combination, transfer by operation of law, utility restructuring, or otherwise, must: (1) perform and satisfy all obligations of, and has the same duties and rights under, a financing order as the utility to which the financing order applies; and (2) perform the duties and exercise the rights in the same manner and to the same extent as the utility, including collecting and paying to any person entitled to receive revenues, collections, payments, or proceeds of extraordinary event property.

Subd. 2. Security interests in extraordinary event property. (a) The creation, perfection, and enforcement of any security interest in extraordinary event property to secure the repayment of the principal and interest on extraordinary event bonds, amounts payable under any ancillary agreement, and other financing costs are governed solely by this section.

(b) A security interest in extraordinary event property is created, valid, and binding when:

(1) the financing order that describes the extraordinary event property is issued;

(2) a security agreement is executed and delivered; and

(3) value is received for the extraordinary event bonds.

(c) Once a security interest in extraordinary event property is created, the security interest attaches without any physical delivery of collateral or any other act. The lien of the security interest is valid, binding, and perfected against all parties having claims of any kind in tort, contract, or otherwise against the person granting the security interest, regardless of whether the parties have notice of the lien, upon the filing of a financing statement with the secretary of state.

(d) The description or indication of extraordinary event property in a transfer or security agreement and a financing statement is sufficient only if the description or indication refers to this section and the financing order creating the extraordinary event property.

(e) A security interest in extraordinary event property is a continuously perfected security interest and has priority over any other lien, created by operation of law or otherwise, which may subsequently attach to the extraordinary event property unless the holder of the security interest has agreed otherwise in writing.

(f) The priority of a security interest in extraordinary event property is not affected by the commingling of extraordinary event property or extraordinary event revenue with other money. An assignee, bondholder, or financing party has a perfected security interest in the amount of all extraordinary event property or extraordinary event revenue that is pledged to pay extraordinary event bonds, even if the extraordinary event property or extraordinary event revenue is deposited in a cash or deposit account of the utility in which the extraordinary event revenue is commingled with other money. Any other security interest that applies to the other money does not apply to the extraordinary event revenue.

(g) Neither a subsequent commission order amending a financing order under section 216B.492, subdivision 4, nor application of an adjustment mechanism authorized by a financing order under section 216B.492, subdivision 3, affects the validity, perfection, or priority of a security interest in or transfer of extraordinary event property.

Subd. 3. Sales of extraordinary event property. (a) A sale, assignment, or transfer of extraordinary event property is an absolute transfer and true sale of, and not a pledge of or secured transaction relating to, the seller's right, title, and interest in, to, and under the extraordinary event property if the documents governing the transaction expressly state that the transaction is a sale or other absolute transfer. A transfer of an interest in extraordinary event property may be created when:

(1) the financing order creating and describing the extraordinary event property is effective;

(2) the documents evidencing the transfer of the extraordinary event property are executed and delivered to the assignee; and

(3) value is received.

(b) The characterization of a sale, assignment, or transfer as an absolute transfer and true sale, and the corresponding characterization of the property interest of the assignee, is not affected or impaired by:

(1) commingling of extraordinary event revenue with other money;

(2) the seller retaining:

(i) a partial or residual interest, including an equity interest, in the extraordinary event property, whether (A) direct or indirect, or (B) subordinate or otherwise; or

(ii) the right to recover costs associated with taxes, franchise fees, or license fees imposed on the collection of extraordinary event revenue;

(3) any recourse that the extraordinary event property purchaser may have against the seller;

(4) any indemnification rights, obligations, or repurchase rights made or provided by the extraordinary event property seller;

(5) the extraordinary event property seller's to collect extraordinary event revenues on behalf of an assignee;

(6) the treatment of the sale, assignment, or transfer for tax, financial reporting, or other purposes;

(7) any subsequent financing order amending a financing order under section 216B.492, subdivision 4, paragraph (d); or

(8) any application of an adjustment mechanism under section 216B.492, subdivision 3, paragraph (a), clause (6).

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

Sec. 11. [216B.497] EXTRAORDINARY EVENT BONDS.

(a) Banks, trust companies, savings and loan associations, insurance companies, executors, administrators, guardians, trustees, and other fiduciaries may legally invest any money within the individual's or entity's control in extraordinary event bonds.

(b) Extraordinary event bonds issued under a financing order are not debt of or a pledge of the faith and credit or taxing power of the state, any agency of the state, or any political subdivision. Holders of extraordinary event bonds may not have taxes levied by the state or a political subdivision in order to pay the principal or interest on extraordinary event bonds. The issuance of extraordinary event bonds does not directly, indirectly, or contingently obligate the state or a political subdivision to levy any tax or make any appropriation to pay principal or interest on the extraordinary event bonds.

(c) The state pledges to and agrees with holders of extraordinary event bonds, any assignee, and any financing parties that the state and state agencies, including the commission, are prohibited from:

(1) taking or permitting any action that impairs the value of extraordinary event property; or

(2) reducing, altering, or impairing extraordinary event charges that are imposed, collected, and remitted for the benefit of holders of extraordinary event bonds, any assignee, and any financing parties until any principal, interest, and redemption premium payable on extraordinary event bonds, all financing costs, and all amounts to be paid to an assignee or financing party under an ancillary agreement are paid in full.

(d) The commission may include a pledge in the financing order similar to the state pledge included in paragraph (c).

(e) A person who issues extraordinary event bonds may include the pledge specified in paragraphs (c) and (d) in the extraordinary event bonds, ancillary agreements, and documentation related to the issuance and marketing of the extraordinary event bonds.

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

Sec. 12. [216B.498] ASSIGNEE OF FINANCING PARTY NOT SUBJECT TO COMMISSION REGULATION.

An assignee or financing party that is not already regulated by the commission does not become subject to commission regulation solely as a result of engaging in any transaction authorized by or described in sections 216B.491 to 216B.499.

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

Sec. 13. [216B.499] EFFECT ON OTHER LAWS.

(a) If any provision of sections 216B.491 to 216B.499 conflicts with any other law regarding the attachment, assignment, perfection, effect of perfection, or priority of any security interest in or transfer of extraordinary event property, sections 216B.491 to 216B.499 govern.

(b) Nothing in this section precludes a utility for which the commission has initially issued a financing order from applying to the commission for:

(1) a subsequent financing order amending the financing order under section 216B.492, subdivision 4, paragraph (d); or

(2) approval to issue extraordinary event bonds to refund all or a portion of an outstanding series of extraordinary event bonds.

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

Sec. 14. Minnesota Statutes 2022, section 216B.50, subdivision 1, is amended to read:

Subdivision 1. **Commission approval required.** No public utility shall sell, acquire, lease, or rent any plant as an operating unit or system in this state for a total consideration in excess of ~~\$100,000~~ \$1,000,000, or merge or consolidate with another public utility or transmission company operating in this state, without first being authorized so to do by the commission. Upon the filing of an application for the approval and consent of the commission, the commission shall investigate, with or without public hearing. The commission shall hold a public hearing, upon such notice as the commission may require. If the commission finds that the proposed action is consistent with the public interest, it shall give its consent and approval by order in writing. In reaching its determination, the commission shall take into consideration the reasonable value of the property, plant, or securities to be acquired or disposed of, or merged and consolidated.

This section does not apply to the purchase of property to replace or add to the plant of the public utility by construction.

Sec. 15. Minnesota Statutes 2022, section 216C.435, subdivision 8, is amended to read:

Subd. 8. **Qualifying commercial real property.** "Qualifying commercial real property" means a multifamily residential dwelling, ~~or~~ a commercial or industrial building, or farmland, as defined in section 216C.436, subdivision 1b, that the implementing entity has determined, after review of an energy audit or, renewable energy system feasibility study, or agronomic assessment, as defined in section 216C.436, subdivision 1b, can be benefited by benefit from the installation of cost-effective

energy improvements or land and water improvements, as defined in section 216C.436, subdivision 1b. Qualifying commercial real property includes new construction.

Sec. 16. Minnesota Statutes 2022, section 216C.436, is amended by adding a subdivision to read:

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

(b) "Agronomic assessment" means a study by an independent third party that assesses the environmental impacts of proposed land and water improvements on farmland.

(c) "Farmland" means land classified as 2a, 2b, or 2c for property tax purposes under section 273.13, subdivision 23.

(d) "Land and water improvement" means:

(1) an improvement to farmland that:

(i) is permanent;

(ii) results in improved agricultural profitability or resiliency;

(iii) reduces the environmental impact of agricultural production; and

(iv) if the improvement affects drainage, complies with the most recent versions of the applicable following conservation practice standards issued by the United States Department of Agriculture's Natural Resources Conservation Service: Drainage Water Management (Code 554), Saturated Buffer (Code 604), Denitrifying Bioreactor (Code 605), and Constructed Wetland (Code 656); or

(2) water conservation and quality measures, which include permanently affixed equipment, appliances, or improvements that reduce a property's water consumption or that enable water to be managed more efficiently.

(e) "Resiliency" means the ability of farmland to maintain and enhance profitability, soil health, and water quality.

Sec. 17. Minnesota Statutes 2022, section 216C.436, subdivision 2, is amended to read:

Subd. 2. **Program requirements.** A commercial PACE loan program must:

(1) impose requirements and conditions on financing arrangements to ensure timely repayment;

(2) require an energy audit or, renewable energy system feasibility study, or agronomic or soil health assessment to be conducted on the qualifying commercial real property and reviewed by the implementing entity prior to approval of the financing;

(3) require the inspection of all installations and a performance verification of at least ten percent of the cost-effective energy improvements or land and water improvements financed by the program;

(4) not prohibit the financing of all cost-effective energy improvements or land and water improvements not otherwise prohibited by this section;

(5) require that all cost-effective energy improvements or land and water improvements be made to a qualifying commercial real property prior to, or in conjunction with, an applicant's repayment of financing for cost-effective energy improvements or land and water improvements for that property;

(6) have cost-effective energy improvements or land and water improvements financed by the program performed by a licensed contractor as required by chapter 326B or other law or ordinance;

(7) require disclosures in the loan document to borrowers by the implementing entity of: (i) the risks involved in borrowing, including the risk of foreclosure if a tax delinquency results from a default; and (ii) all the terms and conditions of the commercial PACE loan and the installation of cost-effective energy improvements or land and water improvements, including the interest rate being charged on the loan;

(8) provide financing only to those who demonstrate an ability to repay;

(9) not provide financing for a qualifying commercial real property in which the owner is not current on mortgage or real property tax payments;

(10) require a petition to the implementing entity by all owners of the qualifying commercial real property requesting collections of repayments as a special assessment under section 429.101;

(11) provide that payments and assessments are not accelerated due to a default and that a tax delinquency exists only for assessments not paid when due; ~~and~~

(12) require that liability for special assessments related to the financing runs with the qualifying commercial real property; and

(13) prior to financing any improvements to or imposing any assessment upon qualifying commercial real property, require notice to and written consent from the mortgage lender of any mortgage encumbering or otherwise secured by the qualifying commercial real property.

Sec. 18. Minnesota Statutes 2022, section 216G.02, subdivision 1, is amended to read:

Subdivision 1. **Definition.** (a) For purposes of this section ~~and~~, the following terms defined in this subdivision have the meanings given.

(b) "Gas" means natural gas, flammable gas, carbon dioxide, gas that is toxic, or gas that is corrosive, regardless of whether the material has been compressed or cooled to a liquid or supercritical state.

(c) "Hazardous liquid" means petroleum, petroleum products, anhydrous ammonia, or a substance included in the definition of hazardous liquid under Code of Federal Regulations, title 49, section 195.2, as amended.

(d) Notwithstanding section 216G.01, subdivision 3, "pipeline" means:

(1) pipe with a nominal diameter of six inches or more that is designed to transport hazardous liquids, but does not include pipe designed to transport a hazardous liquid by gravity, and pipe designed to transport or store a hazardous liquid within a refining, storage, or manufacturing facility; or

(2) pipe designed to be operated at a pressure of more than 275 pounds per square inch and to carry gas.

Sec. 19. [500.216] LIMITS ON CERTAIN RESIDENTIAL SOLAR ENERGY SYSTEMS PROHIBITED.

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

(b) "Private entity" means a homeowners association, community association, or other association that is subject to a homeowners association document.

(c) "Homeowners association document" means a document containing the declaration, articles of incorporation, bylaws, or rules and regulations of:

(1) a common interest community, as defined in section 515B.1-103, regardless of whether the common interest community is subject to chapter 515B; and

(2) a residential community that is not a common interest community.

(d) "Solar energy system" has the meaning given in section 216C.06, subdivision 17.

Subd. 2. **Applicability.** This section applies to:

(1) single family detached dwellings for which the dwelling owner or owners each wholly owns the entire building in which the dwelling is located and is wholly responsible for the maintenance, repair, replacement, and insurance of the entire building; and

(2) multifamily attached dwellings for which the dwelling owner or owners each wholly owns the entire building in which the dwelling is located and is wholly responsible for the maintenance, repair, replacement, and insurance of the entire building.

Subd. 3. **General rule.** Except as otherwise provided in this section and notwithstanding any covenant, restriction, or condition contained in a deed, security instrument, homeowners association document, or any other instrument affecting the transfer, sale of, or an interest in real property, a private entity must not prohibit or refuse to permit the owner of a single-family dwelling to install, maintain, or use a roof-mounted solar energy system.

Subd. 4. **Allowable conditions.** (a) A private entity may require that:

(1) a licensed contractor install a solar energy system;

(2) a roof-mounted solar energy system not extend above the peak of a pitched roof or beyond the edge of the roof;

(3) the owner or installer of a solar energy system indemnify or reimburse the private entity or the private entity's members for loss or damage caused by the installation, maintenance, use, repair, or removal of a solar energy system;

(4) the owner and each successive owner of a solar energy system list the private entity as a certificate holder on the homeowner's insurance policy; or

(5) the owner and each successive owner of a solar energy system be responsible for removing the system if reasonably necessary to repair, perform maintenance, or replace common elements or limited common elements, as defined in section 515B.1-103.

(b) A private entity may impose other reasonable restrictions on installing, maintaining, or using solar energy systems, provided that the restrictions do not (1) decrease the solar energy system's projected energy generation by more than ten percent; or (2) increase the solar energy system's cost by more than (i) 20 percent for a solar water heater, or (ii) \$1,000 for a solar photovoltaic system, when compared with the solar energy system's energy generation and the cost of labor and materials as originally proposed without the restrictions, as certified by the solar energy system's designer or installer. A private entity may obtain an alternative bid and design from a solar energy system designer or installer for the purposes of this paragraph.

(c) A solar energy system must meet applicable standards and requirements imposed by the state and by governmental units, as defined in section 462.384.

(d) A solar energy system for heating water must be certified by the Solar Rating Certification Corporation or an equivalent certification agency. A solar energy system for producing electricity must meet (1) all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories, including but not limited to Underwriters Laboratories; and (2) where applicable, rules of the Public Utilities Commission regarding safety and reliability.

(e) If approval by a private entity is required prior to installing or using a solar energy system, the application for approval (1) must be processed and approved in the same manner as an application for approval of an architectural modification to the property, and (2) must not be willfully avoided or delayed. In no event will a private entity have less than 60 days to approve or disapprove an application for a solar energy system.

(f) An application for approval must be made in writing and must contain certification that the applicant must meet any conditions required by a private entity under subdivision 4. An application must include a copy of the interconnection application submitted to the applicable electric utility.

(g) A private entity must approve or deny an application in writing. If an application is not denied in writing within 60 days of the date the application was received, the application is deemed approved unless the delay is the result of a reasonable request for additional information. If a private entity determines that it needs additional information from the applicant in order to approve or disapprove the application, the private entity must request the additional information in writing within 60 days from the date of receipt of the application. If the private entity makes a request for additional information within 15 days from the date the private entity initially received the application, the private entity shall have 60 days from the date of receipt of the additional information in which to approve or deny the application. If the private entity makes a written request to the applicant for

additional information more than 15 days after the private entity initially received the application, the private entity shall have 15 days after the private entity receives the additional information it requested from the applicant in which to approve or disapprove the application, but in no event shall the private entity have less than 60 days from the date the private entity initially received the application in which to approve or disapprove the application.

Sec. 20. Minnesota Statutes 2022, section 515B.2-103, is amended to read:

515B.2-103 CONSTRUCTION AND VALIDITY OF DECLARATION AND BYLAWS.

(a) All provisions of the declaration and bylaws are severable.

(b) The rule against perpetuities may not be applied to defeat any provision of the declaration or this chapter, or any instrument executed pursuant to the declaration or this chapter.

(c) In the event of a conflict between the provisions of the declaration and the bylaws, the declaration prevails except to the extent that the declaration is inconsistent with this chapter.

(d) The declaration and bylaws must comply with ~~section~~ sections 500.215 and 500.216.

Sec. 21. Minnesota Statutes 2022, section 515B.3-102, is amended to read:

515B.3-102 POWERS OF UNIT OWNERS' ASSOCIATION.

(a) Except as provided in subsections (b), (c), (d), and (e), and subject to the provisions of the declaration or bylaws, the association shall have the power to:

(1) adopt, amend and revoke rules and regulations not inconsistent with the articles of incorporation, bylaws and declaration, as follows: (i) regulating the use of the common elements; (ii) regulating the use of the units, and conduct of unit occupants, which may jeopardize the health, safety or welfare of other occupants, which involves noise or other disturbing activity, or which may damage the common elements or other units; (iii) regulating or prohibiting animals; (iv) regulating changes in the appearance of the common elements and conduct which may damage the common interest community; (v) regulating the exterior appearance of the common interest community, including, for example, balconies and patios, window treatments, and signs and other displays, regardless of whether inside a unit; (vi) implementing the articles of incorporation, declaration and bylaws, and exercising the powers granted by this section; and (vii) otherwise facilitating the operation of the common interest community;

(2) adopt and amend budgets for revenues, expenditures and reserves, and levy and collect assessments for common expenses from unit owners;

(3) hire and discharge managing agents and other employees, agents, and independent contractors;

(4) institute, defend, or intervene in litigation or administrative proceedings (i) in its own name on behalf of itself or two or more unit owners on matters affecting the common elements or other matters affecting the common interest community or, (ii) with the consent of the owners of the affected units on matters affecting only those units;

(5) make contracts and incur liabilities;

(6) regulate the use, maintenance, repair, replacement, and modification of the common elements and the units;

(7) cause improvements to be made as a part of the common elements, and, in the case of a cooperative, the units;

(8) acquire, hold, encumber, and convey in its own name any right, title, or interest to real estate or personal property, but (i) common elements in a condominium or planned community may be conveyed or subjected to a security interest only pursuant to section 515B.3-112, or (ii) part of a cooperative may be conveyed, or all or part of a cooperative may be subjected to a security interest, only pursuant to section 515B.3-112;

(9) grant or amend easements for public utilities, public rights-of-way or other public purposes, and cable television or other communications, through, over or under the common elements; grant or amend easements, leases, or licenses to unit owners for purposes authorized by the declaration; and, subject to approval by a vote of unit owners other than declarant or its affiliates, grant or amend other easements, leases, and licenses through, over or under the common elements;

(10) impose and receive any payments, fees, or charges for the use, rental, or operation of the common elements, other than limited common elements, and for services provided to unit owners;

(11) impose interest and late charges for late payment of assessments and, after notice and an opportunity to be heard before the board or a committee appointed by it, levy reasonable fines for violations of the declaration, bylaws, and rules and regulations of the association;

(12) impose reasonable charges for the review, preparation and recordation of amendments to the declaration, resale certificates required by section 515B.4-107, statements of unpaid assessments, or furnishing copies of association records;

(13) provide for the indemnification of its officers and directors, and maintain directors' and officers' liability insurance;

(14) provide for reasonable procedures governing the conduct of meetings and election of directors;

(15) exercise any other powers conferred by law, or by the declaration, articles of incorporation or bylaws; and

(16) exercise any other powers necessary and proper for the governance and operation of the association.

(b) Notwithstanding subsection (a) the declaration or bylaws may not impose limitations on the power of the association to deal with the declarant which are more restrictive than the limitations imposed on the power of the association to deal with other persons.

(c) Notwithstanding subsection (a), powers exercised under this section must comply with ~~section~~ sections 500.215 and 500.216.

(d) Notwithstanding subsection (a)(4) or any other provision of this chapter, the association, before instituting litigation or arbitration involving construction defect claims against a development party, shall:

(1) mail or deliver written notice of the anticipated commencement of the action to each unit owner at the addresses, if any, established for notices to owners in the declaration and, if the declaration does not state how notices are to be given to owners, to the owner's last known address. The notice shall specify the nature of the construction defect claims to be alleged, the relief sought, and the manner in which the association proposes to fund the cost of pursuing the construction defect claims; and

(2) obtain the approval of owners of units to which a majority of the total votes in the association are allocated. Votes allocated to units owned by the declarant, an affiliate of the declarant, or a mortgagee who obtained ownership of the unit through a foreclosure sale are excluded. The association may obtain the required approval by a vote at an annual or special meeting of the members or, if authorized by the statute under which the association is created and taken in compliance with that statute, by a vote of the members taken by electronic means or mailed ballots. If the association holds a meeting and voting by electronic means or mailed ballots is authorized by that statute, the association shall also provide for voting by those methods. Section 515B.3-110(c) applies to votes taken by electronic means or mailed ballots, except that the votes must be used in combination with the vote taken at a meeting and are not in lieu of holding a meeting, if a meeting is held, and are considered for purposes of determining whether a quorum was present. Proxies may not be used for a vote taken under this paragraph unless the unit owner executes the proxy after receipt of the notice required under subsection (d)(1) and the proxy expressly references this notice.

(e) The association may intervene in a litigation or arbitration involving a construction defect claim or assert a construction defect claim as a counterclaim, crossclaim, or third-party claim before complying with subsections (d)(1) and (d)(2) but the association's complaint in an intervention, counterclaim, crossclaim, or third-party claim shall be dismissed without prejudice unless the association has complied with the requirements of subsection (d) within 90 days of the association's commencement of the complaint in an intervention or the assertion of the counterclaim, crossclaim, or third-party claim.

Sec. 22. Laws 2005, chapter 97, article 10, section 3, as amended by Laws 2013, chapter 85, article 7, section 9, is amended to read:

Sec. 3. SUNSET.

Sections 1 and 2 ~~shall expire on~~ June 30, ~~2023~~ 2028.

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

Sec. 23. DECOMMISSIONING AND DEMOLITION PLAN FOR COAL-FIRED PLANT.

(a) As a part of the next resource plan filing under Minnesota Statutes, section 216B.2422, subdivision 2, but no later than December 31, 2025, the public utility that owns an electric generation facility that is powered by coal, scheduled for retirement in 2028, and located within the St. Croix National Scenic Riverway must provide, to the extent known, the public utility's plan and a detailed

timeline to decommission and demolish the electric generation facility and remediate pollution at the electric generation facility site.

(b) The public utility must also provide a copy of the plan and timeline to the governing body of the municipality where the electric generation facility is located on the same date the plan and timeline are submitted to the Public Utilities Commission.

(c) If a resource plan is not filed or required before December 31, 2025, the plan and timeline must be submitted to the Public Utilities Commission and the municipality as a separate filing by December 31, 2025.

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

Delete the title and insert:

"A bill for an act relating to energy; modifying certain utility requirements; prohibiting certain restrictions on the use of residential solar energy systems; modifying the property assessed clean energy program; amending the definition of low-income household for purposes of receiving energy conservation assistance; requiring submission of a decommissioning and demolition plan for a scheduled retirement of an electric generation facility; adding the definitions of gas and hazardous liquid; authorizing natural gas utilities to sell extraordinary event bonds under certain circumstances; modifying various other provisions governing utilities; and modifying various other energy provisions; amending Minnesota Statutes 2022, sections 216B.164, by adding a subdivision; 216B.2402, subdivision 16; 216B.2425, subdivision 3; 216B.243, subdivision 8, as amended; 216B.50, subdivision 1; 216C.435, subdivision 8; 216C.436, subdivision 2, by adding a subdivision; 216G.02, subdivision 1; 515B.2-103; 515B.3-102; Laws 2005, chapter 97, article 10, section 3, as amended; proposing coding for new law in Minnesota Statutes, chapters 216B; 500."

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

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

S.F. No. 2818: A bill for an act relating to human services; modifying and establishing laws regarding aging, disability, behavioral health, substance use disorder, housing, economic assistance, children and family services, health care, licensing, Department of Human Services Office of Inspector General, and conversion therapy; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 13.46, subdivision 4; 62N.25, subdivision 5; 62Q.1055; 62Q.47; 62V.05, subdivision 4a; 122A.18, subdivision 8; 169A.70, subdivisions 3, 4; 245.462, subdivisions 3, 12; 245.4661, subdivision 9; 245.469, subdivision 3; 245.4711, subdivisions 3, 4; 245.477; 245.4835, subdivision 2; 245.4871, subdivisions 3, 19; 245.4873, subdivision 4; 245.4881, subdivisions 3, 4; 245.4885, subdivision 1; 245.4887; 245.50, subdivision 5; 245A.02, subdivisions 5a, 10b; 245A.03, subdivision 7; 245A.04, subdivisions 1, 4, 7; 245A.041, by adding a subdivision; 245A.043, subdivision 3; 245A.05; 245A.07, subdivisions 1, 2a, 3; 245A.10, subdivisions 3, 4; 245A.11, subdivision 7, by adding a subdivision; 245A.14, subdivision 4; 245A.1435; 245A.146, subdivision 3; 245A.16, subdivisions 1, 9, by adding a subdivision; 245A.18, subdivision 2; 245A.52, subdivisions 1, 2, 3, 5, by adding subdivisions; 245A.66, by adding a subdivision; 245C.02, subdivisions 6a, 11c, by adding subdivisions; 245C.03, subdivisions 1, 1a, 4, 5, 5a; 245C.031, subdivisions 1, 4; 245C.05, subdivisions 1, 5a, by adding a subdivision; 245C.07; 245C.08,

subdivision 1; 245C.10, subdivision 4; 245C.15, subdivision 4a; 245C.30, subdivision 2; 245C.31, subdivision 1; 245C.33, subdivision 4; 245D.03, subdivision 1; 245E.06, subdivision 3; 245E.08; 245G.05, subdivision 2; 245G.07, subdivision 3a; 245G.13, subdivision 2; 245G.22, subdivision 2; 245H.03, by adding a subdivision; 245H.05; 245H.08, subdivisions 4, 5; 245H.13, subdivisions 3, 7, 9; 245I.20, subdivision 10; 246.0135; 254A.03, subdivision 3; 254A.035, subdivision 2; 254A.19, subdivisions 1, 3, 4, by adding subdivisions; 254B.01, subdivision 5, by adding subdivisions; 254B.03, subdivisions 1, 2, 5; 254B.04, subdivisions 1, 2a, by adding subdivisions; 254B.05, subdivisions 1a, 5; 256.01, by adding a subdivision; 256.478, by adding subdivisions; 256.9685, subdivisions 1a, 1b; 256.9686, by adding a subdivision; 256B.04, subdivision 15; 256B.056, by adding a subdivision; 256B.0622, subdivision 8; 256B.0625, subdivisions 3a, 16, by adding a subdivision; 256B.064; 256B.0911, subdivision 23; 256B.092, subdivision 10; 256B.093, subdivision 1; 256B.0946, subdivision 6; 256B.0947, subdivision 7a; 256B.27, subdivision 3; 256B.439, subdivisions 3c, 3d; 256B.492; 256B.493, subdivisions 2a, 4; 256D.02, by adding a subdivision; 256D.07; 256D.09, subdivision 2a; 256I.03, subdivision 15, by adding a subdivision; 256I.04, subdivision 2; 256I.06, subdivision 3; 256I.09; 256J.08, subdivision 21; 256J.09, subdivision 3; 256J.95, subdivision 5; 256L.03, subdivisions 1, 2; 256L.12, subdivision 8; 256N.24, subdivision 12; 256P.01, by adding a subdivision; 256P.04, by adding a subdivision; 256S.202, subdivision 1; 260B.157, subdivisions 1, 3; 260C.157, subdivision 3; 260C.221, subdivision 1; 260C.317, subdivision 3; 260E.20, subdivision 1; 299A.299, subdivision 1; 325F.69, by adding a subdivision; 518A.43, subdivision 1b; 524.5-104; 524.5-118, subdivision 2a; 524.5-313; Laws 2021, First Special Session chapter 7, article 2, section 17; article 6, section 12; article 11, section 18; article 13, section 43; article 17, section 20; Laws 2022, chapter 98, article 4, section 37; proposing coding for new law in Minnesota Statutes, chapters 119B; 214; 245; 245A; repealing Minnesota Statutes 2022, sections 169A.70, subdivision 6; 245A.144; 245A.175; 245A.22; 245C.02, subdivision 9; 245C.301; 245G.22, subdivision 19; 254A.02, subdivision 8a; 254A.16, subdivision 6; 254A.19, subdivisions 1a, 2, 5; 254B.04, subdivisions 2b, 2c; 254B.041, subdivision 2; 254B.13, subdivisions 1, 2, 2a, 4, 5, 6, 7, 8; 254B.16; 256.9685, subdivisions 1c, 1d; 256B.49, subdivision 23; 256D.63, subdivision 1; 256I.03, subdivision 6; 260.835, subdivision 2; 518A.59; Minnesota Rules, parts 2960.3070; 2960.3210; 9502.0425, subparts 5, 10; 9505.0235; 9505.0505, subpart 18; 9505.0520, subpart 9b.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

DEPARTMENT OF HEALTH POLICY

Section 1. Minnesota Statutes 2022, section 144A.06, subdivision 2, is amended to read:

Subd. 2. **New license required; change of ownership.** (a) The commissioner of health by rule shall prescribe procedures for licensure under this section.

(b) A new license is required and the prospective licensee must apply for a license prior to operating a currently licensed nursing home. The licensee must change whenever one of the following events occur:

(1) the form of the licensee's legal entity structure is converted or changed to a different type of legal entity structure;

(2) the licensee dissolves, consolidates, or merges with another legal organization and the licensee's legal organization does not survive;

(3) within the previous 24 months, 50 percent or more of the licensee's ownership interest is transferred, whether by a single transaction or multiple transactions to:

(i) a different person or multiple persons; or

(ii) a person or multiple different persons who had less than a five percent ownership interest in the facility at the time of the first transaction; or

(4) any other event or combination of events that results in a substitution, elimination, or withdrawal of the licensee's responsibility for the facility.

Sec. 2. Minnesota Statutes 2022, section 144A.071, subdivision 2, is amended to read:

Subd. 2. **Moratorium.** (a) The commissioner of health, in coordination with the commissioner of human services, shall deny each request for new licensed or certified nursing home or certified boarding care beds except as provided in subdivision 3 or 4a, or section 144A.073. "Certified bed" means a nursing home bed or a boarding care bed certified by the commissioner of health for the purposes of the medical assistance program, under United States Code, title 42, sections 1396 et seq. Certified beds in facilities which do not allow medical assistance intake shall be deemed to be decertified for purposes of this section only.

(b) The commissioner of human services, in coordination with the commissioner of health, shall deny any request to issue a license under section 252.28 and chapter 245A to a nursing home or boarding care home, if that license would result in an increase in the medical assistance reimbursement amount.

(c) In addition, the commissioner of health must not approve any construction project whose cost exceeds \$1,000,000, unless:

~~(a)~~ (1) any construction costs exceeding \$1,000,000 are not added to the facility's appraised value and are not included in the facility's payment rate for reimbursement under the medical assistance program; or

~~(b)~~ (2) the project:

~~(1)~~ (i) has been approved through the process described in section 144A.073 and if approved under section 144A.073, subdivision 3, after March 1, 2020, is subject to the fair rental value property rate as described in section 256R.26;

~~(2)~~ (ii) meets an exception in subdivision 3 or 4a;

~~(3)~~ (iii) is necessary to correct violations of state or federal law issued by the commissioner of health;

~~(4)~~ (iv) is necessary to repair or replace a portion of the facility that was damaged by fire, lightning, ground shifts, or other such hazards, including environmental hazards, provided that the provisions of subdivision 4a, clause (a), are met; or

~~(5)~~ (v) is being proposed by a licensed nursing facility that is not certified to participate in the medical assistance program and will not result in new licensed or certified beds.

(d) Prior to the final plan approval of any construction project, the commissioners of health and human services shall be provided with an itemized cost estimate for the project construction costs. If a construction project is anticipated to be completed in phases, the total estimated cost of all phases of the project shall be submitted to the commissioners and shall be considered as one construction project. Once the construction project is completed and prior to the final clearance by the commissioners, the total project construction costs for the construction project shall be submitted to the commissioners. If the final project construction cost exceeds the dollar threshold in this subdivision, the commissioner of human services shall not recognize any of the project construction costs or the related financing costs in excess of this threshold in establishing the facility's property-related payment rate.

(e) The dollar thresholds for construction projects are as follows: for construction projects other than those authorized in ~~clauses (1) to (6)~~ paragraph (c), clause (2), items (i) to (v), the dollar threshold is \$1,000,000. For projects authorized after July 1, 1993, under ~~clause (1)~~ paragraph (c), clause (2), item (i), the dollar threshold is the cost estimate submitted with a proposal for an exception under section 144A.073, plus inflation as calculated according to section 256B.431, subdivision 3f, paragraph (a). For projects authorized under ~~clauses (2) to (4)~~ paragraph (c), clause (2), items (ii) to (iv), the dollar threshold is the itemized estimate project construction costs submitted to the commissioner of health at the time of final plan approval, plus inflation as calculated according to section 256B.431, subdivision 3f, paragraph (a).

(f) The commissioner of health shall adopt rules to implement this section or to amend the emergency rules for granting exceptions to the moratorium on nursing homes under section 144A.073.

Sec. 3. Minnesota Statutes 2022, section 144A.073, subdivision 3b, is amended to read:

Subd. 3b. **Amendments to approved projects.** (a) Nursing facilities that have received approval ~~on or after July 1, 1993~~, for exceptions to the moratorium on nursing homes through the process described in this section may request amendments to the designs of the projects by writing the commissioner within 15 months of receiving approval. An approved project may not be amended to reduce the scope of an approved project. Applicants shall submit supporting materials that demonstrate how the amended projects meet the criteria described in paragraph (b).

(b) The commissioner shall approve requests for amendments for projects approved ~~on or after July 1, 1993~~, according to the following criteria:

(1) the amended project designs must provide solutions to all of the problems addressed by the original application that are at least as effective as the original solutions;

(2) the amended project designs may not reduce the space in each resident's living area or in the total amount of common space devoted to resident and family uses by more than five percent;

(3) the costs ~~recognized for reimbursement~~ of amended project designs shall be ~~the threshold amount of the original proposal as identified according to section 144A.071, subdivision 2~~ the cost estimate associated with the project as originally approved, except under conditions described in clause (4); and

(4) total costs ~~up to ten percent greater than the cost identified in clause (3) may be recognized for reimbursement if~~ of the amendment are no greater than ten percent of the cost estimate associated with the project as initially approved if the proposer can document that one of the following circumstances is true:

(i) changes are needed due to a natural disaster;

(ii) conditions that affect the safety or durability of the project that could not have reasonably been known prior to approval are discovered;

(iii) state or federal law require changes in project design; or

(iv) documentable circumstances occur that are beyond the control of the owner and require changes in the design.

(c) Approval of a request for an amendment does not alter the expiration of approval of the project according to subdivision 3.

(d) Reimbursement for amendments to approved projects is independent of the actual construction costs and based on the allowable appraised value of the completed project.

EFFECTIVE DATE. This section is effective retroactively from March 1, 2020.

Sec. 4. Minnesota Statutes 2022, section 144A.474, subdivision 3, is amended to read:

Subd. 3. **Survey process.** The survey process for core surveys shall include the following as applicable to the particular licensee and setting surveyed:

(1) presurvey review of pertinent documents and notification to the ombudsman for long-term care;

(2) an entrance conference with available staff;

(3) communication with managerial officials or the registered nurse in charge, if available, and ongoing communication with key staff throughout the survey regarding information needed by the surveyor, clarifications regarding home care requirements, and applicable standards of practice;

(4) presentation of written contact information to the provider about the survey staff conducting the survey, the supervisor, and the process for requesting a reconsideration of the survey results;

(5) a brief tour of ~~a sample of the housing with services establishments~~ establishment in which the provider is providing home care services;

(6) a sample selection of home care clients;

(7) information-gathering through client and staff observations, client and staff interviews, and reviews of records, policies, procedures, practices, and other agency information;

(8) interviews of clients' family members, if available, with clients' consent when the client can legally give consent;

(9) except for complaint surveys conducted by the Office of Health Facilities Complaints, an ~~on-site~~ exit conference; with preliminary findings ~~shared and~~ discussed with the provider within one business day after completion of survey activities, documentation that an exit conference occurred, and with written information provided on the process for requesting a reconsideration of the survey results; and

(10) postsurvey analysis of findings and formulation of survey results, including correction orders when applicable.

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

Sec. 5. Minnesota Statutes 2022, section 144A.474, subdivision 9, is amended to read:

Subd. 9. **Follow-up surveys.** For providers that have Level 3 or Level 4 violations under subdivision 11, ~~or any violations determined to be widespread,~~ the department shall conduct a follow-up survey within 90 calendar days of the survey. When conducting a follow-up survey, the surveyor will focus on whether the previous violations have been corrected and may also address any new violations that are observed while evaluating the corrections that have been made.

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

Sec. 6. Minnesota Statutes 2022, section 144A.474, subdivision 12, is amended to read:

Subd. 12. **Reconsideration.** (a) The commissioner shall make available to home care providers a correction order reconsideration process. This process may be used to challenge the correction order issued, including the level and scope described in subdivision 11, and any fine assessed. During the correction order reconsideration request, the issuance for the correction orders under reconsideration are not stayed, but the department shall post information on the website with the correction order that the licensee has requested a reconsideration and that the review is pending.

(b) A licensed home care provider may request from the commissioner, in writing, a correction order reconsideration regarding any correction order issued to the provider. The written request for reconsideration must be received by the commissioner within 15 ~~calendar~~ business days of the correction order receipt date. The correction order reconsideration shall not be reviewed by any surveyor, investigator, or supervisor that participated in the writing or reviewing of the correction order being disputed. The correction order reconsiderations may be conducted in person, by telephone, by another electronic form, or in writing, as determined by the commissioner. The commissioner shall respond in writing to the request from a home care provider for a correction order reconsideration within 60 days of the date the provider requests a reconsideration. The commissioner's response shall identify the commissioner's decision regarding each citation challenged by the home care provider.

(c) The findings of a correction order reconsideration process shall be one or more of the following:

(1) supported in full, the correction order is supported in full, with no deletion of findings to the citation;

(2) supported in substance, the correction order is supported, but one or more findings are deleted or modified without any change in the citation;

(3) correction order cited an incorrect home care licensing requirement, the correction order is amended by changing the correction order to the appropriate statutory reference;

(4) correction order was issued under an incorrect citation, the correction order is amended to be issued under the more appropriate correction order citation;

(5) the correction order is rescinded;

(6) fine is amended, it is determined that the fine assigned to the correction order was applied incorrectly; or

(7) the level or scope of the citation is modified based on the reconsideration.

(d) If the correction order findings are changed by the commissioner, the commissioner shall update the correction order website.

(e) This subdivision does not apply to temporary licensees.

Sec. 7. Minnesota Statutes 2022, section 144A.4791, subdivision 10, is amended to read:

Subd. 10. **Termination of service plan.** (a) If a home care provider terminates a service plan with a client, and the client continues to need home care services, the home care provider shall provide the client and the client's representative, if any, with a written notice of termination which includes the following information:

(1) the effective date of termination;

(2) the reason for termination;

(3) a statement that the client may contact the Office of Ombudsman for Long-Term Care to request an advocate to assist regarding the termination and contact information for the office, including the office's central telephone number;

~~(3)~~ (4) a list of known licensed home care providers in the client's immediate geographic area;

~~(4)~~ (5) a statement that the home care provider will participate in a coordinated transfer of care of the client to another home care provider, health care provider, or caregiver, as required by the home care bill of rights, section 144A.44, subdivision 1, clause (17);

~~(5)~~ (6) the name and contact information of a person employed by the home care provider with whom the client may discuss the notice of termination; and

~~(6)~~ (7) if applicable, a statement that the notice of termination of home care services does not constitute notice of termination of ~~the housing with services contract with a housing with services establishment~~ any housing contract.

(b) When the home care provider voluntarily discontinues services to all clients, the home care provider must notify the commissioner, lead agencies, and ombudsman for long-term care about its clients and comply with the requirements in this subdivision.

Sec. 8. Minnesota Statutes 2022, section 256B.434, subdivision 4f, is amended to read:

Subd. 4f. **Construction project rate adjustments effective October 1, 2006.** (a) Effective October 1, 2006, facilities reimbursed under this section may receive a property rate adjustment for construction projects exceeding the threshold in section 256B.431, subdivision 16, and below the threshold in section 144A.071, subdivision 2, ~~clause (a) paragraph (c), clause (1)~~. For these projects, capital assets purchased shall be counted as construction project costs for a rate adjustment request made by a facility if they are: (1) purchased within 24 months of the completion of the construction project; (2) purchased after the completion date of any prior construction project; and (3) are not purchased prior to July 14, 2005. Except as otherwise provided in this subdivision, the definitions, rate calculation methods, and principles in sections 144A.071 and 256B.431 and Minnesota Rules, parts 9549.0010 to 9549.0080, shall be used to calculate rate adjustments for allowable construction projects under this subdivision and section 144A.073. Facilities completing construction projects between October 1, 2005, and October 1, 2006, are eligible to have a property rate adjustment effective October 1, 2006. Facilities completing projects after October 1, 2006, are eligible for a property rate adjustment effective on the first day of the month following the completion date. Facilities completing projects after January 1, 2018, are eligible for a property rate adjustment effective on the first day of the month of January or July, whichever occurs immediately following the completion date.

(b) Notwithstanding subdivision 18, as of July 14, 2005, facilities with rates set under section 256B.431 and Minnesota Rules, parts 9549.0010 to 9549.0080, that commenced a construction project on or after October 1, 2004, and do not have a contract under subdivision 3 by September 30, 2006, are eligible to request a rate adjustment under section 256B.431, subdivision 10, through September 30, 2006. If the request results in the commissioner determining a rate adjustment is allowable, the rate adjustment is effective on the first of the month following project completion. These facilities shall be allowed to accumulate construction project costs for the period October 1, 2004, to September 30, 2006.

(c) Facilities shall be allowed construction project rate adjustments no sooner than 12 months after completing a previous construction project. Facilities must request the rate adjustment according to section 256B.431, subdivision 10.

(d) Capacity days shall be computed according to Minnesota Rules, part 9549.0060, subpart 11. For rate calculations under this section, the number of licensed beds in the nursing facility shall be the number existing after the construction project is completed and the number of days in the nursing facility's reporting period shall be 365.

(e) The value of assets to be recognized for a total replacement project as defined in section 256B.431, subdivision 17d, shall be computed as described in clause (1). The value of assets to be recognized for all other projects shall be computed as described in clause (2).

(1) Replacement-cost-new limits under section 256B.431, subdivision 17e, and the number of beds allowed under subdivision 3a, paragraph (c), shall be used to compute the maximum amount of assets allowable in a facility's property rate calculation. If a facility's current request for a rate adjustment results from the completion of a construction project that was previously approved under section 144A.073, the assets to be used in the rate calculation cannot exceed the lesser of the amount determined under sections 144A.071, subdivision 2, and 144A.073, subdivision 3b, or the actual allowable costs of the construction project. A current request that is not the result of a project under section 144A.073 cannot exceed the limit under section 144A.071, subdivision 2, paragraph ~~(a)~~ (c), clause (1). Applicable credits must be deducted from the cost of the construction project.

(2)(i) Replacement-cost-new limits under section 256B.431, subdivision 17e, and the number of beds allowed under section 256B.431, subdivision 3a, paragraph (c), shall be used to compute the maximum amount of assets allowable in a facility's property rate calculation.

(ii) The value of a facility's assets to be compared to the amount in item (i) begins with the total appraised value from the last rate notice a facility received when its rates were set under section 256B.431 and Minnesota Rules, parts 9549.0010 to 9549.0080. This value shall be indexed by the factor in section 256B.431, subdivision 3f, paragraph (a), for each rate year the facility received an inflation factor on its property-related rate when its rates were set under this section. The value of assets listed as previous capital additions, capital additions, and special projects on the facility's base year rate notice and the value of assets related to a construction project for which the facility received a rate adjustment when its rates were determined under this section shall be added to the indexed appraised value.

(iii) The maximum amount of assets to be recognized in computing a facility's rate adjustment after a project is completed is the lesser of the aggregate replacement-cost-new limit computed in (i) minus the assets recognized in (ii) or the actual allowable costs of the construction project.

(iv) If a facility's current request for a rate adjustment results from the completion of a construction project that was previously approved under section 144A.073, the assets to be added to the rate calculation cannot exceed the lesser of the amount determined under sections 144A.071, subdivision 2, and 144A.073, subdivision 3b, or the actual allowable costs of the construction project. A current request that is not the result of a project under section 144A.073 cannot exceed the limit stated in section 144A.071, subdivision 2, paragraph ~~(a)~~ (c), clause (1). Assets disposed of as a result of a construction project and applicable credits must be deducted from the cost of the construction project.

(f) For construction projects approved under section 144A.073, allowable debt may never exceed the lesser of the cost of the assets purchased, the threshold limit in section 144A.071, subdivision 2, or the replacement-cost-new limit less previously existing capital debt.

(g) For construction projects that were not approved under section 144A.073, allowable debt is limited to the lesser of the threshold in section 144A.071, subdivision 2, for such construction projects or the applicable limit in paragraph (e), clause (1) or (2), less previously existing capital

debt. Amounts of debt taken out that exceed the costs of a construction project shall not be allowed regardless of the use of the funds.

For all construction projects being recognized, interest expense and average debt shall be computed based on the first 12 months following project completion. "Previously existing capital debt" means capital debt recognized on the last rate determined under section 256B.431 and Minnesota Rules, parts 9549.0010 to 9549.0080, and the amount of debt recognized for a construction project for which the facility received a rate adjustment when its rates were determined under this section.

For a total replacement project as defined in section 256B.431, subdivision 17d, the value of previously existing capital debt shall be zero.

(h) In addition to the interest expense allowed from the application of paragraph (f), the amounts allowed under section 256B.431, subdivision 17a, paragraph (a), clauses (2) and (3), will be added to interest expense.

(i) The equity portion of the construction project shall be computed as the allowable assets in paragraph (e), less the average debt in paragraph (f). The equity portion must be multiplied by 5.66 percent and the allowable interest expense in paragraph (f) must be added. This sum must be divided by 95 percent of capacity days to compute the construction project rate adjustment.

(j) For projects that are not a total replacement of a nursing facility, the amount in paragraph (i) is adjusted for nonreimbursable areas and then added to the current property payment rate of the facility.

(k) For projects that are a total replacement of a nursing facility, the amount in paragraph (i) becomes the new property payment rate after being adjusted for nonreimbursable areas. Any amounts existing in a facility's rate before the effective date of the construction project for equity incentives under section 256B.431, subdivision 16; capital repairs and replacements under section 256B.431, subdivision 15; or refinancing incentives under section 256B.431, subdivision 19, shall be removed from the facility's rates.

(l) No additional equipment allowance is allowed under Minnesota Rules, part 9549.0060, subpart 10, as the result of construction projects under this section. Allowable equipment shall be included in the construction project costs.

(m) Capital assets purchased after the completion date of a construction project shall be counted as construction project costs for any future rate adjustment request made by a facility under section 144A.071, subdivision 2, ~~clause (a) paragraph (c), clause (1)~~, if they are purchased within 24 months of the completion of the future construction project.

(n) In subsequent rate years, the property payment rate for a facility that results from the application of this subdivision shall be the amount inflated in subdivision 4.

(o) Construction projects are eligible for an equity incentive under section 256B.431, subdivision 16. When computing the equity incentive for a construction project under this subdivision, only the allowable costs and allowable debt related to the construction project shall be used. The equity incentive shall not be a part of the property payment rate and not inflated under subdivision 4.

Effective October 1, 2006, all equity incentives for nursing facilities reimbursed under this section shall be allowed for a duration determined under section 256B.431, subdivision 16, paragraph (c).

ARTICLE 2

SUBSTANCE USE DISORDER DIRECT ACCESS POLICY

Section 1. Minnesota Statutes 2022, section 62N.25, subdivision 5, is amended to read:

Subd. 5. **Benefits.** Community integrated service networks must offer the health maintenance organization benefit set, as defined in chapter 62D, and other laws applicable to entities regulated under chapter 62D. Community networks and chemical dependency facilities under contract with a community network shall use the assessment criteria in ~~Minnesota Rules, parts 9530.6600 to 9530.6655,~~ section 245G.05 when assessing enrollees for chemical dependency treatment.

Sec. 2. Minnesota Statutes 2022, section 62Q.1055, is amended to read:

62Q.1055 CHEMICAL DEPENDENCY.

All health plan companies shall use the assessment criteria in ~~Minnesota Rules, parts 9530.6600 to 9530.6655,~~ section 245G.05 when assessing and ~~placing~~ treating enrollees for chemical dependency treatment.

Sec. 3. Minnesota Statutes 2022, section 62Q.47, is amended to read:

62Q.47 ALCOHOLISM, MENTAL HEALTH, AND CHEMICAL DEPENDENCY SERVICES.

(a) All health plans, as defined in section 62Q.01, that provide coverage for alcoholism, mental health, or chemical dependency services, must comply with the requirements of this section.

(b) Cost-sharing requirements and benefit or service limitations for outpatient mental health and outpatient chemical dependency and alcoholism services, except for persons ~~placed in seeking~~ placed in seeking chemical dependency services under ~~Minnesota Rules, parts 9530.6600 to 9530.6655~~ section 245G.05, must not place a greater financial burden on the insured or enrollee, or be more restrictive than those requirements and limitations for outpatient medical services.

(c) Cost-sharing requirements and benefit or service limitations for inpatient hospital mental health and inpatient hospital and residential chemical dependency and alcoholism services, except for persons ~~placed in seeking~~ placed in seeking chemical dependency services under ~~Minnesota Rules, parts 9530.6600 to 9530.6655~~ section 245G.05, must not place a greater financial burden on the insured or enrollee, or be more restrictive than those requirements and limitations for inpatient hospital medical services.

(d) A health plan company must not impose an NQTL with respect to mental health and substance use disorders in any classification of benefits unless, under the terms of the health plan as written and in operation, any processes, strategies, evidentiary standards, or other factors used in applying the NQTL to mental health and substance use disorders in the classification are comparable to, and are applied no more stringently than, the processes, strategies, evidentiary standards, or other factors used in applying the NQTL with respect to medical and surgical benefits in the same classification.

(e) All health plans must meet the requirements of the federal Mental Health Parity Act of 1996, Public Law 104-204; Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008; the Affordable Care Act; and any amendments to, and federal guidance or regulations issued under, those acts.

(f) The commissioner may require information from health plan companies to confirm that mental health parity is being implemented by the health plan company. Information required may include comparisons between mental health and substance use disorder treatment and other medical conditions, including a comparison of prior authorization requirements, drug formulary design, claim denials, rehabilitation services, and other information the commissioner deems appropriate.

(g) Regardless of the health care provider's professional license, if the service provided is consistent with the provider's scope of practice and the health plan company's credentialing and contracting provisions, mental health therapy visits and medication maintenance visits shall be considered primary care visits for the purpose of applying any enrollee cost-sharing requirements imposed under the enrollee's health plan.

(h) By June 1 of each year, beginning June 1, 2021, the commissioner of commerce, in consultation with the commissioner of health, shall submit a report on compliance and oversight to the chairs and ranking minority members of the legislative committees with jurisdiction over health and commerce. The report must:

(1) describe the commissioner's process for reviewing health plan company compliance with United States Code, title 42, section 18031(j), any federal regulations or guidance relating to compliance and oversight, and compliance with this section and section 62Q.53;

(2) identify any enforcement actions taken by either commissioner during the preceding 12-month period regarding compliance with parity for mental health and substance use disorders benefits under state and federal law, summarizing the results of any market conduct examinations. The summary must include: (i) the number of formal enforcement actions taken; (ii) the benefit classifications examined in each enforcement action; and (iii) the subject matter of each enforcement action, including quantitative and nonquantitative treatment limitations;

(3) detail any corrective action taken by either commissioner to ensure health plan company compliance with this section, section 62Q.53, and United States Code, title 42, section 18031(j); and

(4) describe the information provided by either commissioner to the public about alcoholism, mental health, or chemical dependency parity protections under state and federal law.

The report must be written in nontechnical, readily understandable language and must be made available to the public by, among other means as the commissioners find appropriate, posting the report on department websites. Individually identifiable information must be excluded from the report, consistent with state and federal privacy protections.

Sec. 4. Minnesota Statutes 2022, section 169A.70, subdivision 3, is amended to read:

Subd. 3. **Assessment report.** (a) The assessment report must be on a form prescribed by the commissioner and shall contain an evaluation of the convicted defendant concerning the defendant's

prior traffic and criminal record, characteristics and history of alcohol and chemical use problems, and amenability to rehabilitation through the alcohol safety program. The report is classified as private data on individuals as defined in section 13.02, subdivision 12.

(b) The assessment report must include:

(1) a diagnosis of the nature of the offender's chemical and alcohol involvement;

(2) an assessment of the severity level of the involvement;

(3) a recommended level of care for the offender in accordance with the criteria contained in ~~rules adopted by the commissioner of human services under section 254A.03, subdivision 3 (substance use disorder treatment rules)~~ section 245G.05;

(4) an assessment of the offender's placement needs;

(5) recommendations for other appropriate remedial action or care, including aftercare services in section 254B.01, subdivision 3, that may consist of educational programs, one-on-one counseling, a program or type of treatment that addresses mental health concerns, or a combination of them; and

(6) a specific explanation why no level of care or action was recommended, if applicable.

Sec. 5. Minnesota Statutes 2022, section 169A.70, subdivision 4, is amended to read:

Subd. 4. **Assessor standards; rules; assessment time limits.** A chemical use assessment required by this section must be conducted by an assessor appointed by the court. The assessor must meet the training and qualification requirements of ~~rules adopted by the commissioner of human services under section 254A.03, subdivision 3 (substance use disorder treatment rules)~~ section 245G.11, subdivisions 1 and 5. Notwithstanding section 13.82 (law enforcement data), the assessor shall have access to any police reports, laboratory test results, and other law enforcement data relating to the current offense or previous offenses that are necessary to complete the evaluation. ~~An assessor providing an assessment under this section may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider, except as authorized under section 254A.19, subdivision 3. If an independent assessor is not available, the court may use the services of an assessor authorized to perform assessments for the county social services agency under a variance granted under rules adopted by the commissioner of human services under section 254A.03, subdivision 3.~~ An appointment for the defendant to undergo the assessment must be made by the court, a court services probation officer, or the court administrator as soon as possible but in no case more than one week after the defendant's court appearance. The assessment must be completed no later than three weeks after the defendant's court appearance. If the assessment is not performed within this time limit, the county where the defendant is to be sentenced shall perform the assessment. The county of financial responsibility must be determined under chapter 256G.

Sec. 6. Minnesota Statutes 2022, section 245A.043, subdivision 3, is amended to read:

Subd. 3. **Change of ownership process.** (a) When a change in ownership is proposed and the party intends to assume operation without an interruption in service longer than 60 days after acquiring the program or service, the license holder must provide the commissioner with written

notice of the proposed change on a form provided by the commissioner at least 60 days before the anticipated date of the change in ownership. For purposes of this subdivision and subdivision 4, "party" means the party that intends to operate the service or program.

(b) The party must submit a license application under this chapter on the form and in the manner prescribed by the commissioner at least 30 days before the change in ownership is complete, and must include documentation to support the upcoming change. The party must comply with background study requirements under chapter 245C and shall pay the application fee required under section 245A.10. A party that intends to assume operation without an interruption in service longer than 60 days after acquiring the program or service is exempt from the requirements of sections 245G.03, subdivision 2, paragraph (b), and 254B.03, subdivision 2, paragraphs (c) and (d) ~~and (e)~~.

(c) The commissioner may streamline application procedures when the party is an existing license holder under this chapter and is acquiring a program licensed under this chapter or service in the same service class as one or more licensed programs or services the party operates and those licenses are in substantial compliance. For purposes of this subdivision, "substantial compliance" means within the previous 12 months the commissioner did not (1) issue a sanction under section 245A.07 against a license held by the party, or (2) make a license held by the party conditional according to section 245A.06.

(d) Except when a temporary change in ownership license is issued pursuant to subdivision 4, the existing license holder is solely responsible for operating the program according to applicable laws and rules until a license under this chapter is issued to the party.

(e) If a licensing inspection of the program or service was conducted within the previous 12 months and the existing license holder's license record demonstrates substantial compliance with the applicable licensing requirements, the commissioner may waive the party's inspection required by section 245A.04, subdivision 4. The party must submit to the commissioner (1) proof that the premises was inspected by a fire marshal or that the fire marshal deemed that an inspection was not warranted, and (2) proof that the premises was inspected for compliance with the building code or that no inspection was deemed warranted.

(f) If the party is seeking a license for a program or service that has an outstanding action under section 245A.06 or 245A.07, the party must submit a letter as part of the application process identifying how the party has or will come into full compliance with the licensing requirements.

(g) The commissioner shall evaluate the party's application according to section 245A.04, subdivision 6. If the commissioner determines that the party has remedied or demonstrates the ability to remedy the outstanding actions under section 245A.06 or 245A.07 and has determined that the program otherwise complies with all applicable laws and rules, the commissioner shall issue a license or conditional license under this chapter. The conditional license remains in effect until the commissioner determines that the grounds for the action are corrected or no longer exist.

(h) The commissioner may deny an application as provided in section 245A.05. An applicant whose application was denied by the commissioner may appeal the denial according to section 245A.05.

(i) This subdivision does not apply to a licensed program or service located in a home where the license holder resides.

Sec. 7. Minnesota Statutes 2022, section 245G.05, subdivision 2, is amended to read:

Subd. 2. **Assessment summary.** (a) An alcohol and drug counselor must complete an assessment summary within three calendar days from the day of service initiation for a residential program and within three calendar days on which a treatment session has been provided from the day of service initiation for a client in a nonresidential program. The comprehensive assessment summary is complete upon a qualified staff member's dated signature. If the comprehensive assessment is used to authorize the treatment service, the alcohol and drug counselor must prepare an assessment summary on the same date the comprehensive assessment is completed. If the comprehensive assessment and assessment summary are to authorize treatment services, the assessor must determine appropriate level of care and services for the client using the dimensions in Minnesota Rules, part 9530.6622, criteria established in section 254B.04, subdivision 4, and document the recommendations.

(b) An assessment summary must include:

- (1) a risk description according to section 245G.05 for each dimension listed in paragraph (c);
- (2) a narrative summary supporting the risk descriptions; and
- (3) a determination of whether the client has a substance use disorder.

(c) An assessment summary must contain information relevant to treatment service planning and recorded in the dimensions in clauses (1) to (6). The license holder must consider:

(1) Dimension 1, acute intoxication/withdrawal potential; the client's ability to cope with withdrawal symptoms and current state of intoxication;

(2) Dimension 2, biomedical conditions and complications; the degree to which any physical disorder of the client would interfere with treatment for substance use, and the client's ability to tolerate any related discomfort. The license holder must determine the impact of continued substance use on the unborn child, if the client is pregnant;

(3) Dimension 3, emotional, behavioral, and cognitive conditions and complications; the degree to which any condition or complication is likely to interfere with treatment for substance use or with functioning in significant life areas and the likelihood of harm to self or others;

(4) Dimension 4, readiness for change; the support necessary to keep the client involved in treatment service;

(5) Dimension 5, relapse, continued use, and continued problem potential; the degree to which the client recognizes relapse issues and has the skills to prevent relapse of either substance use or mental health problems; and

(6) Dimension 6, recovery environment; whether the areas of the client's life are supportive of or antagonistic to treatment participation and recovery.

Sec. 8. Minnesota Statutes 2022, section 245G.22, subdivision 2, is amended to read:

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

(b) "Diversion" means the use of a medication for the treatment of opioid addiction being diverted from intended use of the medication.

(c) "Guest dose" means administration of a medication used for the treatment of opioid addiction to a person who is not a client of the program that is administering or dispensing the medication.

(d) "Medical director" means a practitioner licensed to practice medicine in the jurisdiction that the opioid treatment program is located who assumes responsibility for administering all medical services performed by the program, either by performing the services directly or by delegating specific responsibility to a practitioner of the opioid treatment program.

(e) "Medication used for the treatment of opioid use disorder" means a medication approved by the Food and Drug Administration for the treatment of opioid use disorder.

(f) "Minnesota health care programs" has the meaning given in section 256B.0636.

(g) "Opioid treatment program" has the meaning given in Code of Federal Regulations, title 42, section 8.12, and includes programs licensed under this chapter.

~~(h) "Placing authority" has the meaning given in Minnesota Rules, part 9530.6605, subpart 21a.~~

~~(h)~~ (h) "Practitioner" means a staff member holding a current, unrestricted license to practice medicine issued by the Board of Medical Practice or nursing issued by the Board of Nursing and is currently registered with the Drug Enforcement Administration to order or dispense controlled substances in Schedules II to V under the Controlled Substances Act, United States Code, title 21, part B, section 821. Practitioner includes an advanced practice registered nurse and physician assistant if the staff member receives a variance by the state opioid treatment authority under section 254A.03 and the federal Substance Abuse and Mental Health Services Administration.

~~(i)~~ (i) "Unsupervised use" means the use of a medication for the treatment of opioid use disorder dispensed for use by a client outside of the program setting.

Sec. 9. Minnesota Statutes 2022, section 254A.03, subdivision 3, is amended to read:

Subd. 3. Rules for substance use disorder care. ~~(a) The commissioner of human services shall establish by rule criteria to be used in determining the appropriate level of substance use disorder care for each recipient of public assistance seeking treatment for substance misuse or substance use disorder. Upon federal approval of a comprehensive assessment as a Medicaid benefit, or on July 1, 2018, whichever is later, and notwithstanding the criteria in Minnesota Rules, parts 9530.6600 to 9530.6655, An eligible vendor of comprehensive assessments under section 254B.05 may determine and approve the appropriate level of substance use disorder treatment for a recipient of public assistance. The process for determining an individual's financial eligibility for the behavioral health fund or determining an individual's enrollment in or eligibility for a publicly subsidized health plan is not affected by the individual's choice to access a comprehensive assessment for placement.~~

(b) The commissioner shall develop and implement a utilization review process for publicly funded treatment placements to monitor and review the clinical appropriateness and timeliness of all publicly funded placements in treatment.

(c) If a screen result is positive for alcohol or substance misuse, a brief screening for alcohol or substance use disorder that is provided to a recipient of public assistance within a primary care clinic, hospital, or other medical setting or school setting establishes medical necessity and approval for an initial set of substance use disorder services identified in section 254B.05, subdivision 5. The initial set of services approved for a recipient whose screen result is positive may include any combination of up to four hours of individual or group substance use disorder treatment, two hours of substance use disorder treatment coordination, or two hours of substance use disorder peer support services provided by a qualified individual according to chapter 245G. A recipient must obtain an assessment pursuant to paragraph (a) to be approved for additional treatment services. ~~Minnesota Rules, parts 9530.6600 to 9530.6655, and~~ A comprehensive assessment pursuant to section 245G.05 ~~are not applicable~~ is not required to receive the initial set of services allowed under this subdivision. A positive screen result establishes eligibility for the initial set of services allowed under this subdivision.

~~(d) Notwithstanding Minnesota Rules, parts 9530.6600 to 9530.6655, An individual may choose to obtain a comprehensive assessment as provided in section 245G.05. Individuals obtaining a comprehensive assessment may access any enrolled provider that is licensed to provide the level of service authorized pursuant to section 254A.19, subdivision 3, paragraph (d). If the individual is enrolled in a prepaid health plan, the individual must comply with any provider network requirements or limitations. This paragraph expires July 1, 2022.~~

(d) An individual may choose to obtain a comprehensive assessment as provided in section 245G.05. Individuals obtaining a comprehensive assessment may access any enrolled provider that is licensed to provide the level of service authorized pursuant to section 254A.19, subdivision 3. If the individual is enrolled in a prepaid health plan, the individual must comply with any provider network requirements or limitations.

Sec. 10. Minnesota Statutes 2022, section 254A.19, subdivision 1, is amended to read:

Subdivision 1. **Persons arrested outside of home county.** When a chemical use assessment is required ~~under Minnesota Rules, parts 9530.6600 to 9530.6655,~~ for a person who is arrested and taken into custody by a peace officer outside of the person's county of residence, the ~~assessment must be completed by the person's county of residence no later than three weeks after the assessment is initially requested. If the assessment is not performed within this time limit, the county where the person is to be sentenced shall perform the assessment~~ county where the person is detained must give access to an assessor qualified under section 254A.19, subdivision 3. The county of financial responsibility is determined under chapter 256G.

Sec. 11. Minnesota Statutes 2022, section 254A.19, subdivision 3, is amended to read:

Subd. 3. **Financial conflicts of interest. Comprehensive assessments.** ~~(a) Except as provided in paragraph (b), (c), or (d), an assessor conducting a chemical use assessment under Minnesota Rules, parts 9530.6600 to 9530.6655, may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider.~~

~~(b) A county may contract with an assessor having a conflict described in paragraph (a) if the county documents that:~~

~~(1) the assessor is employed by a culturally specific service provider or a service provider with a program designed to treat individuals of a specific age, sex, or sexual preference;~~

~~(2) the county does not employ a sufficient number of qualified assessors and the only qualified assessors available in the county have a direct or shared financial interest or a referral relationship resulting in shared financial gain with a treatment provider; or~~

~~(3) the county social service agency has an existing relationship with an assessor or service provider and elects to enter into a contract with that assessor to provide both assessment and treatment under circumstances specified in the county's contract, provided the county retains responsibility for making placement decisions.~~

~~(c) The county may contract with a hospital to conduct chemical assessments if the requirements in subdivision 1a are met.~~

~~An assessor under this paragraph may not place clients in treatment. The assessor shall gather required information and provide it to the county along with any required documentation. The county shall make all placement decisions for clients assessed by assessors under this paragraph.~~

~~(d) An eligible vendor under section 254B.05 conducting a comprehensive assessment for an individual seeking treatment shall approve the nature, intensity level, and duration of treatment service if a need for services is indicated, but the individual assessed can access any enrolled provider that is licensed to provide the level of service authorized, including the provider or program that completed the assessment. If an individual is enrolled in a prepaid health plan, the individual must comply with any provider network requirements or limitations.~~

Sec. 12. Minnesota Statutes 2022, section 254A.19, subdivision 4, is amended to read:

~~Subd. 4. **Civil commitments.** A Rule 25 assessment, under Minnesota Rules, part 9530.6615, For the purposes of determining level of care, a comprehensive assessment does not need to be completed for an individual being committed as a chemically dependent person, as defined in section 253B.02, and for the duration of a civil commitment under section 253B.065, 253B.09, or 253B.095 in order for a county to access the behavioral health fund under section 254B.04. The county must determine if the individual meets the financial eligibility requirements for the behavioral health fund under section 254B.04. Nothing in this subdivision prohibits placement in a treatment facility or treatment program governed under this chapter or Minnesota Rules, parts 9530.6600 to 9530.6655.~~

Sec. 13. Minnesota Statutes 2022, section 254A.19, is amended by adding a subdivision to read:

~~Subd. 6. **Assessments for detoxification programs.** For detoxification programs licensed under chapter 245A according to Minnesota Rules, parts 9530.6510 to 9530.6590, a "chemical use assessment" is a comprehensive assessment and assessment summary completed according to the requirements of section 245G.05 and a "chemical dependency assessor" or "assessor" is an individual who meets the qualifications of section 245G.11, subdivisions 1 and 5.~~

Sec. 14. Minnesota Statutes 2022, section 254A.19, is amended by adding a subdivision to read:

~~Subd. 7. **Assessments for children's residential facilities.** For children's residential facilities licensed under chapter 245A according to Minnesota Rules, parts 2960.0010 to 2960.0220 and~~

2960.0430 to 2960.0490, a "chemical use assessment" is a comprehensive assessment and assessment summary completed according to the requirements of section 245G.05 and must be completed by an individual who meets the qualifications of section 245G.11, subdivisions 1 and 5.

Sec. 15. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 2a. **Behavioral health fund.** "Behavioral health fund" means money allocated for payment of treatment services under chapter 254B.

Sec. 16. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 2b. **Client.** "Client" means an individual who has requested substance use disorder services or for whom substance use disorder services have been requested.

Sec. 17. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 2c. **Co-payment.** "Co-payment" means:

(1) the amount an insured person is obligated to pay before the person's third-party payment source is obligated to make a payment; or

(2) the amount an insured person is obligated to pay in addition to the amount the person's third-party payment source is obligated to pay.

Sec. 18. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 4c. **Department.** "Department" means the Department of Human Services.

Sec. 19. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 4d. **Drug and Alcohol Abuse Normative Evaluation System or DAANES.** "Drug and Alcohol Abuse Normative Evaluation System" or "DAANES" means the reporting system used to collect all substance use disorder treatment data across all levels of care and providers.

Sec. 20. Minnesota Statutes 2022, section 254B.01, subdivision 5, is amended to read:

Subd. 5. **Local agency.** "Local agency" means the agency designated by a board of county commissioners, a local social services agency, or a human services board ~~to make placements and submit state invoices according to Laws 1986, chapter 394, sections 8 to 20~~ authorized under section 254B.03, subdivision 1, to determine financial eligibility for the behavioral health fund.

Sec. 21. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 6a. **Minor child.** "Minor child" means an individual under the age of 18 years.

Sec. 22. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 6b. **Policyholder.** "Policyholder" means a person who has a third-party payment policy under which a third-party payment source has an obligation to pay all or part of a client's treatment costs.

Sec. 23. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 9. **Responsible relative.** "Responsible relative" means a person who is a member of the client's household and is the client's spouse or the parent of a minor child who is a client.

Sec. 24. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 10. **Third-party payment source** "Third-party payment source" means a person, entity, or public or private agency other than medical assistance or general assistance medical care that has a probable obligation to pay all or part of the costs of a client's substance use disorder treatment.

Sec. 25. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 11. **Vendor.** "Vendor" means a provider of substance use disorder treatment services that meets the criteria established in section 254B.05, and that has applied to participate as a provider in the medical assistance program according to Minnesota Rules, part 9505.0195.

Sec. 26. Minnesota Statutes 2022, section 254B.03, subdivision 1, is amended to read:

Subdivision 1. **Local agency duties.** (a) Every local agency ~~shall~~ must determine financial eligibility for substance use disorder services and provide substance use disorder services to persons residing within its jurisdiction who meet criteria established by the commissioner for placement in a substance use disorder residential or nonresidential treatment service. Substance use disorder money must be administered by the local agencies according to law and rules adopted by the commissioner under sections 14.001 to 14.69.

(b) In order to contain costs, the commissioner of human services shall select eligible vendors of substance use disorder services who can provide economical and appropriate treatment. Unless the local agency is a social services department directly administered by a county or human services board, the local agency shall not be an eligible vendor under section 254B.05. The commissioner may approve proposals from county boards to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. If a county implements a demonstration or experimental medical services funding plan, the commissioner shall transfer the money as appropriate.

~~(e) A culturally specific vendor that provides assessments under a variance under Minnesota Rules, part 9530.6610, shall be allowed to provide assessment services to persons not covered by the variance.~~

~~(d) Notwithstanding Minnesota Rules, parts 9530.6600 to 9530.6655, (c) An individual may choose to obtain a comprehensive assessment as provided in section 245G.05. Individuals obtaining a comprehensive assessment may access any enrolled provider that is licensed to provide the level of service authorized pursuant to section 254A.19, subdivision 3, paragraph (d). If the individual is enrolled in a prepaid health plan, the individual must comply with any provider network requirements or limitations.~~

~~(e)~~ (d) Beginning July 1, 2022, local agencies shall not make placement location determinations.

Sec. 27. Minnesota Statutes 2022, section 254B.03, subdivision 2, is amended to read:

Subd. 2. **Behavioral health fund payment.** (a) Payment from the behavioral health fund is limited to payments for services identified in section 254B.05, other than detoxification licensed under Minnesota Rules, parts 9530.6510 to 9530.6590, and detoxification provided in another state that would be required to be licensed as a substance use disorder program if the program were in the state. Out of state vendors must also provide the commissioner with assurances that the program complies substantially with state licensing requirements and possesses all licenses and certifications required by the host state to provide substance use disorder treatment. Vendors receiving payments from the behavioral health fund must not require co-payment from a recipient of benefits for services provided under this subdivision. The vendor is prohibited from using the client's public benefits to offset the cost of services paid under this section. The vendor shall not require the client to use public benefits for room or board costs. This includes but is not limited to cash assistance benefits under chapters 119B, 256D, and 256J, or SNAP benefits. Retention of SNAP benefits is a right of a client receiving services through the behavioral health fund or through state contracted managed care entities. Payment from the behavioral health fund shall be made for necessary room and board costs provided by vendors meeting the criteria under section 254B.05, subdivision 1a, or in a community hospital licensed by the commissioner of health according to sections 144.50 to 144.56 to a client who is:

(1) determined to meet the criteria for placement in a residential substance use disorder treatment program according to rules adopted under section 254A.03, subdivision 3; and

(2) concurrently receiving a substance use disorder treatment service in a program licensed by the commissioner and reimbursed by the behavioral health fund.

~~(b) A county may, from its own resources, provide substance use disorder services for which state payments are not made. A county may elect to use the same invoice procedures and obtain the same state payment services as are used for substance use disorder services for which state payments are made under this section if county payments are made to the state in advance of state payments to vendors. When a county uses the state system for payment, the commissioner shall make monthly billings to the county using the most recent available information to determine the anticipated services for which payments will be made in the coming month. Adjustment of any overestimate or underestimate based on actual expenditures shall be made by the state agency by adjusting the estimate for any succeeding month.~~

~~(b)~~ (b) The commissioner shall coordinate substance use disorder services and determine whether there is a need for any proposed expansion of substance use disorder treatment services. The commissioner shall deny vendor certification to any provider that has not received prior approval from the commissioner for the creation of new programs or the expansion of existing program capacity. The commissioner shall consider the provider's capacity to obtain clients from outside the state based on plans, agreements, and previous utilization history, when determining the need for new treatment services.

~~(c)~~ (c) At least 60 days prior to submitting an application for new licensure under chapter 245G, the applicant must notify the county human services director in writing of the applicant's intent to open a new treatment program. The written notification must include, at a minimum:

(1) a description of the proposed treatment program; and

(2) a description of the target population to be served by the treatment program.

~~(e)~~ (d) The county human services director may submit a written statement to the commissioner, within 60 days of receiving notice from the applicant, regarding the county's support of or opposition to the opening of the new treatment program. The written statement must include documentation of the rationale for the county's determination. The commissioner shall consider the county's written statement when determining whether there is a need for the treatment program as required by paragraph (c).

Sec. 28. Minnesota Statutes 2022, section 254B.03, subdivision 5, is amended to read:

Subd. 5. **Rules; appeal.** The commissioner shall adopt rules as necessary to implement this chapter. ~~The commissioner shall establish an appeals process for use by recipients when services certified by the county are disputed. The commissioner shall adopt rules and standards for the appeal process to assure adequate redress for persons referred to inappropriate services.~~

Sec. 29. Minnesota Statutes 2022, section 254B.04, subdivision 1, is amended to read:

Subdivision 1. **Eligibility. Scope and applicability.** ~~(a) Persons eligible for benefits under Code of Federal Regulations, title 25, part 20, who meet the income standards of section 256B.056, subdivision 4, and are not enrolled in medical assistance, are entitled to behavioral health fund services. State money appropriated for this paragraph must be placed in a separate account established for this purpose.~~

~~(b) Persons with dependent children who are determined to be in need of chemical dependency treatment pursuant to an assessment under section 260E.20, subdivision 1, or a case plan under section 260C.201, subdivision 6, or 260C.212, shall be assisted by the local agency to access needed treatment services. Treatment services must be appropriate for the individual or family, which may include long-term care treatment or treatment in a facility that allows the dependent children to stay in the treatment facility. The county shall pay for out-of-home placement costs, if applicable.~~

~~(c) Notwithstanding paragraph (a), persons enrolled in medical assistance are eligible for room and board services under section 254B.05, subdivision 5, paragraph (b), clause (12).~~

This section governs the administration of the behavioral health fund, establishes the criteria to be applied by local agencies to determine a client's financial eligibility under the behavioral health fund, and determines a client's obligation to pay for substance use disorder treatment services.

Sec. 30. Minnesota Statutes 2022, section 254B.04, is amended by adding a subdivision to read:

Subd. 1a. **Client eligibility.** (a) Persons eligible for benefits under Code of Federal Regulations, title 25, part 20, who meet the income standards of section 256B.056, subdivision 4, and are not enrolled in medical assistance, are entitled to behavioral health fund services. State money appropriated for this paragraph must be placed in a separate account established for this purpose.

(b) Persons with dependent children who are determined to be in need of chemical dependency treatment pursuant to an assessment under section 260E.20, subdivision 1, or a case plan under section 260C.201, subdivision 6, or 260C.212, shall be assisted by the local agency to access needed treatment services. Treatment services must be appropriate for the individual or family, which may

include long-term care treatment or treatment in a facility that allows the dependent children to stay in the treatment facility. The county shall pay for out-of-home placement costs, if applicable.

(c) Notwithstanding paragraph (a), persons enrolled in medical assistance are eligible for room and board services under section 254B.05, subdivision 5, paragraph (b), clause (12).

(d) A client is eligible to have substance use disorder treatment paid for with funds from the behavioral health fund when the client:

(1) is eligible for MFIP as determined under chapter 256J;

(2) is eligible for medical assistance as determined under Minnesota Rules, parts 9505.0010 to 9505.0150;

(3) is eligible for general assistance, general assistance medical care, or work readiness as determined under Minnesota Rules, parts 9500.1200 to 9500.1318; or

(4) has income that is within current household size and income guidelines for entitled persons, as defined in this subdivision and subdivision 7.

(e) Clients who meet the financial eligibility requirement in paragraph (a) and who have a third-party payment source are eligible for the behavioral health fund if the third-party payment source pays less than 100 percent of the cost of treatment services for eligible clients.

(f) A client is ineligible to have substance use disorder treatment services paid for with behavioral health fund money if the client:

(1) has an income that exceeds current household size and income guidelines for entitled persons as defined in this subdivision and subdivision 7; or

(2) has an available third-party payment source that will pay the total cost of the client's treatment.

(g) A client who is disenrolled from a state prepaid health plan during a treatment episode is eligible for continued treatment service that is paid for by the behavioral health fund until the treatment episode is completed or the client is re-enrolled in a state prepaid health plan if the client:

(1) continues to be enrolled in MinnesotaCare, medical assistance, or general assistance medical care; or

(2) is eligible according to paragraphs (a) and (b) and is determined eligible by a local agency under section 254B.04.

(h) When a county commits a client under chapter 253B to a regional treatment center for substance use disorder services and the client is ineligible for the behavioral health fund, the county is responsible for the payment to the regional treatment center according to section 254B.05, subdivision 4.

Sec. 31. Minnesota Statutes 2022, section 254B.04, subdivision 2a, is amended to read:

Subd. 2a. **Eligibility for ~~treatment in residential settings~~ room and board services for persons in outpatient substance use disorder treatment.** ~~Notwithstanding provisions of Minnesota Rules, part 9530.6622, subparts 5 and 6, related to an assessor's discretion in making placements to residential treatment settings,~~ A person eligible for room and board services under this section 254B.05, subdivision 5, paragraph (b), clause (12), must score at level 4 on assessment dimensions related to readiness to change, relapse, continued use, or recovery environment in order to be assigned to services with a room and board component reimbursed under this section. Whether a treatment facility has been designated an institution for mental diseases under United States Code, title 42, section 1396d, shall not be a factor in making placements.

Sec. 32. Minnesota Statutes 2022, section 254B.04, is amended by adding a subdivision to read:

Subd. 4. **Assessment criteria and risk descriptions.** (a) The level of care determination must follow criteria approved by the commissioner.

(b) Dimension 1: Acute intoxication/withdrawal potential. A vendor must use the criteria in Dimension 1 to determine a client's acute intoxication and withdrawal potential, the client's ability to cope with withdrawal symptoms, and the client's current state of intoxication.

"0" The client displays full functioning with good ability to tolerate and cope with withdrawal discomfort, and the client shows no signs or symptoms of intoxication or withdrawal or diminishing signs or symptoms.

"1" The client can tolerate and cope with withdrawal discomfort. The client displays mild to moderate intoxication or signs and symptoms interfering with daily functioning but does not immediately endanger self or others. The client poses a minimal risk of severe withdrawal.

"2" The client has some difficulty tolerating and coping with withdrawal discomfort. The client's intoxication may be severe but responds to support and treatment such that the client does not immediately endanger self or others. The client displays moderate signs and symptoms of withdrawal with moderate risk of severe withdrawal.

"3" The client tolerates and copes with withdrawal discomfort poorly. The client has severe intoxication, such that the client endangers self or others, or intoxication has not abated with less intensive services. The client displays severe signs and symptoms of withdrawal, has a risk of severe but manageable withdrawal, or has worsening withdrawal despite detoxification at less intensive level.

"4" The client is incapacitated with severe signs and symptoms. The client displays severe withdrawal and is a danger to self or others.

(c) Dimension 2: biomedical conditions and complications. The vendor must use the criteria in Dimension 2 to determine a client's biomedical conditions and complications, the degree to which any physical disorder of the client would interfere with treatment for substance use, and the client's ability to tolerate any related discomfort. If the client is pregnant, the provider must determine the impact of continued substance use on the unborn child.

"0" The client displays full functioning with good ability to cope with physical discomfort.

"1" The client tolerates and copes with physical discomfort and is able to get the services that the client needs.

"2" The client has difficulty tolerating and coping with physical problems or has other biomedical problems that interfere with recovery and treatment. The client neglects or does not seek care for serious biomedical problems.

"3" The client tolerates and copes poorly with physical problems or has poor general health. The client neglects the client's medical problems without active assistance.

"4" The client is unable to participate in substance use disorder treatment and has severe medical problems, a condition that requires immediate intervention, or is incapacitated.

(d) Dimension 3: Emotional, behavioral, and cognitive conditions and complications. The vendor must use the criteria in Dimension 3 to determine a client's: emotional, behavioral, and cognitive conditions and complications; the degree to which any condition or complication is likely to interfere with treatment for substance use or with functioning in significant life areas; and the likelihood of harm to self or others.

"0" The client has good impulse control and coping skills and presents no risk of harm to self or others. The client functions in all life areas and displays no emotional, behavioral, or cognitive problems or the problems are stable.

"1" The client has impulse control and coping skills. The client presents a mild to moderate risk of harm to self or others or displays symptoms of emotional, behavioral, or cognitive problems. The client has a mental health diagnosis and is stable. The client functions adequately in significant life areas.

"2" The client has difficulty with impulse control and lacks coping skills. The client has thoughts of suicide or harm to others without means; however, the thoughts may interfere with participation in some activities. The client has difficulty functioning in significant life areas. The client has moderate symptoms of emotional, behavioral, or cognitive problems. The client is able to participate in most treatment activities.

"3" The client has a severe lack of impulse control and coping skills. The client also has frequent thoughts of suicide or harm to others including a plan and the means to carry out the plan. In addition, the client is severely impaired in significant life areas and has severe symptoms of emotional, behavioral, or cognitive problems that interfere with the client's participation in treatment activities.

"4" The client has severe emotional or behavioral symptoms that place the client or others at acute risk of harm. The client also has intrusive thoughts of harming self or others. The client is unable to participate in treatment activities.

(e) Dimension 4: Readiness for change. The vendor must use the criteria in Dimension 4 to determine a client's readiness for change and the support necessary to keep the client involved in treatment services.

"0" The client is cooperative, motivated, ready to change, admits problems, committed to change, and engaged in treatment as a responsible participant.

"1" The client is motivated with active reinforcement to explore treatment and strategies for change but ambivalent about illness or need for change.

"2" The client displays verbal compliance, but lacks consistent behaviors; has low motivation for change; and is passively involved in treatment.

"3" The client displays inconsistent compliance, minimal awareness of either the client's addiction or mental disorder, and is minimally cooperative.

"4" The client is:

(i) noncompliant with treatment and has no awareness of addiction or mental disorder and does not want or is unwilling to explore change or is in total denial of the client's illness and its implications; or

(ii) the client is dangerously oppositional to the extent that the client is a threat of imminent harm to self and others.

(f) Dimension 5: Relapse, continued use, and continued problem potential. The vendor must use the criteria in Dimension 5 to determine a client's relapse, continued use, and continued problem potential and the degree to which the client recognizes relapse issues and has the skills to prevent relapse of either substance use or mental health problems.

"0" The client recognizes risk well and is able to manage potential problems.

"1" The client recognizes relapse issues and prevention strategies but displays some vulnerability for further substance use or mental health problems.

"2" The client has:

(i) minimal recognition and understanding of relapse and recidivism issues and displays moderate vulnerability for further substance use or mental health problems; or

(ii) some coping skills inconsistently applied.

"3" The client has poor recognition and understanding of relapse and recidivism issues and displays moderately high vulnerability for further substance use or mental health problems. The client has few coping skills and rarely applies coping skills.

"4" The client has no coping skills to arrest mental health or addiction illnesses or prevent relapse. The client has no recognition or understanding of relapse and recidivism issues and displays high vulnerability for further substance use disorder or mental health problems.

(g) Dimension 6: Recovery environment. The vendor must use the criteria in Dimension 6 to determine a client's recovery environment, whether the areas of the client's life are supportive of or antagonistic to treatment participation and recovery.

"0" The client is engaged in structured meaningful activity and has a supportive significant other, family, and living environment.

"1" The client has passive social network support, or family and significant other are not interested in the client's recovery. The client is engaged in structured meaningful activity.

"2" The client is engaged in structured, meaningful activity, but peers, family, significant other, and living environment are unsupportive, or there is criminal justice involvement by the client or among the client's peers, significant other, or in the client's living environment.

"3" The client is not engaged in structured meaningful activity and the client's peers, family, significant other, and living environment are unsupportive, or there is significant criminal justice system involvement.

"4" The client has:

(i) a chronically antagonistic significant other, living environment, family, peer group, or long-term criminal justice involvement that is harmful to recovery or treatment progress; or

(ii) the client has an actively antagonistic significant other, family, work, or living environment that poses an immediate threat to the client's safety and well-being.

Sec. 33. Minnesota Statutes 2022, section 254B.04, is amended by adding a subdivision to read:

Subd. 5. **Local agency responsibility to provide services.** The local agency may employ individuals to conduct administrative activities and facilitate access to substance use disorder treatment services.

Sec. 34. Minnesota Statutes 2022, section 254B.04, is amended by adding a subdivision to read:

Subd. 6. **Local agency to determine client financial eligibility.** (a) The local agency shall determine a client's financial eligibility for the behavioral health fund according to section 254B.04, subdivision 1a, with the income calculated prospectively for one year from the date of comprehensive assessment. The local agency shall pay for eligible clients according to chapter 256G. The local agency shall enter the financial eligibility span within ten calendar days of request. Client eligibility must be determined using forms prescribed by the department. To determine a client's eligibility, the local agency must determine the client's income, the size of the client's household, the availability of a third-party payment source, and a responsible relative's ability to pay for the client's substance use disorder treatment.

(b) A client who is a minor child must not be deemed to have income available to pay for substance use disorder treatment, unless the minor child is responsible for payment under section 144.347 for substance use disorder treatment services sought under section 144.343, subdivision 1.

(c) The local agency must determine the client's household size as follows:

(1) if the client is a minor child, the household size includes the following persons living in the same dwelling unit:

(i) the client;

(ii) the client's birth or adoptive parents; and

(iii) the client's siblings who are minors; and

(2) if the client is an adult, the household size includes the following persons living in the same dwelling unit:

(i) the client;

(ii) the client's spouse;

(iii) the client's minor children; and

(iv) the client's spouse's minor children.

For purposes of this paragraph, household size includes a person listed in clauses (1) and (2) who is in an out-of-home placement if a person listed in clause (1) or (2) is contributing to the cost of care of the person in out-of-home placement.

(d) The local agency must determine the client's current prepaid health plan enrollment, the availability of a third-party payment source, including the availability of total payment, partial payment, and amount of co-payment.

(e) The local agency must provide the required eligibility information to the department in the manner specified by the department.

(f) The local agency shall require the client and policyholder to conditionally assign to the department the client and policyholder's rights and the rights of minor children to benefits or services provided to the client if the department is required to collect from a third-party pay source.

(g) The local agency must redetermine a client's eligibility for the behavioral health fund every 12 months.

(h) A client, responsible relative, and policyholder must provide income or wage verification, household size verification, and must make an assignment of third-party payment rights under paragraph (f). If a client, responsible relative, or policyholder does not comply with the provisions of this subdivision, the client is ineligible for behavioral health fund payment for substance use disorder treatment, and the client and responsible relative must be obligated to pay for the full cost of substance use disorder treatment services provided to the client.

Sec. 35. Minnesota Statutes 2022, section 254B.04, is amended by adding a subdivision to read:

Subd. 7. **Client fees.** A client whose household income is within current household size and income guidelines for entitled persons as defined in section 254B.04, subdivision 1a, must pay no fee for care related to substance use disorder, including drug screens.

Sec. 36. Minnesota Statutes 2022, section 254B.04, is amended by adding a subdivision to read:

Subd. 8. **Vendor must participate in DAANES system.** To be eligible for payment under the behavioral health fund, a vendor must participate in the Drug and Alcohol Abuse Normative Evaluation System (DAANES) or submit to the commissioner the information required in the DAANES in the format specified by the commissioner.

Sec. 37. Minnesota Statutes 2022, section 256D.09, subdivision 2a, is amended to read:

Subd. 2a. **Vendor payments for drug dependent persons.** If, at the time of application or at any other time, there is a reasonable basis for questioning whether a person applying for or receiving financial assistance is drug dependent, as defined in section 254A.02, subdivision 5, the person shall be referred for a chemical health assessment, and only emergency assistance payments or general assistance vendor payments may be provided until the assessment is complete and the results of the assessment made available to the county agency. A reasonable basis for referring an individual for an assessment exists when:

- (1) the person has required detoxification two or more times in the past 12 months;
- (2) the person appears intoxicated at the county agency as indicated by two or more of the following:
 - (i) the odor of alcohol;
 - (ii) slurred speech;
 - (iii) disconjugate gaze;
 - (iv) impaired balance;
 - (v) difficulty remaining awake;
 - (vi) consumption of alcohol;
 - (vii) responding to sights or sounds that are not actually present;
 - (viii) extreme restlessness, fast speech, or unusual belligerence;
- (3) the person has been involuntarily committed for drug dependency at least once in the past 12 months; or
- (4) the person has received treatment, including domiciliary care, for drug abuse or dependency at least twice in the past 12 months.

The assessment and determination of drug dependency, if any, must be made by an assessor qualified under ~~Minnesota Rules, part 9530.6615, subpart 2~~ section 245G.11, subdivisions 1 and 5, to perform an assessment of chemical use. The county shall only provide emergency general assistance or vendor payments to an otherwise eligible applicant or recipient who is determined to be drug dependent, except up to 15 percent of the grant amount the person would otherwise receive may be paid in cash. Notwithstanding subdivision 1, the commissioner of human services shall also require county agencies to provide assistance only in the form of vendor payments to all eligible recipients who assert substance use disorder as a basis for eligibility under section 256D.05, subdivision 1, paragraph (a), clauses (1) and (5).

The determination of drug dependency shall be reviewed at least every 12 months. If the county determines a recipient is no longer drug dependent, the county may cease vendor payments and provide the recipient payments in cash.

Sec. 38. Minnesota Statutes 2022, section 256L.03, subdivision 2, is amended to read:

Subd. 2. **Substance use disorder.** Beginning July 1, 1993, covered health services shall include individual outpatient treatment of substance use disorder by a qualified health professional or outpatient program.

Persons who may need substance use disorder services under the provisions of this chapter ~~shall be assessed by a local agency as defined under section 254B.01~~ must be assessed by a qualified professional as defined in section 245G.11, subdivisions 1 and 5, and under the assessment provisions of section 254A.03, subdivision 3. A local agency or managed care plan under contract with the Department of Human Services must ~~place~~ offer services to a person in need of substance use disorder services as provided in Minnesota Rules, parts 9530.6600 to 9530.6655 based on the recommendations of section 245G.05. Persons who are recipients of medical benefits under the provisions of this chapter and who are financially eligible for behavioral health fund services provided under the provisions of chapter 254B shall receive substance use disorder treatment services under the provisions of chapter 254B only if:

- (1) they have exhausted the substance use disorder benefits offered under this chapter; or
- (2) an assessment indicates that they need a level of care not provided under the provisions of this chapter.

Recipients of covered health services under the children's health plan, as provided in Minnesota Statutes 1990, section 256.936, and as amended by Laws 1991, chapter 292, article 4, section 17, and recipients of covered health services enrolled in the children's health plan or the MinnesotaCare program after October 1, 1992, pursuant to Laws 1992, chapter 549, article 4, sections 5 and 17, are eligible to receive substance use disorder benefits under this subdivision.

Sec. 39. Minnesota Statutes 2022, section 256L.12, subdivision 8, is amended to read:

Subd. 8. **Substance use disorder assessments.** The managed care plan shall be responsible for assessing the need and ~~placement for~~ provision of substance use disorder services according to criteria set forth in ~~Minnesota Rules, parts 9530.6600 to 9530.6655~~ section 245G.05.

Sec. 40. Minnesota Statutes 2022, section 260B.157, subdivision 1, is amended to read:

Subdivision 1. **Investigation.** Upon request of the court the local social services agency or probation officer shall investigate the personal and family history and environment of any minor coming within the jurisdiction of the court under section 260B.101 and shall report its findings to the court. The court may order any minor coming within its jurisdiction to be examined by a duly qualified physician, psychiatrist, or psychologist appointed by the court.

The court shall order a chemical use assessment conducted when a child is (1) found to be delinquent for violating a provision of chapter 152, or for committing a felony-level violation of a provision of chapter 609 if the probation officer determines that alcohol or drug use was a contributing factor in the commission of the offense, or (2) alleged to be delinquent for violating a provision of chapter 152, if the child is being held in custody under a detention order. The assessor's qualifications must comply with section 245G.11, subdivisions 1 and 5, and the assessment criteria shall must comply with Minnesota Rules, parts 9530.6600 to 9530.6655 section 245G.05. If funds under chapter

254B are to be used to pay for the recommended treatment, the assessment and placement must comply with all provisions of ~~Minnesota Rules, parts 9530.6600 to 9530.6655 and 9530.7000 to 9530.7030~~ sections 245G.05 and 254B.04. The commissioner of human services shall reimburse the court for the cost of the chemical use assessment, up to a maximum of \$100.

The court shall order a children's mental health screening conducted when a child is found to be delinquent. The screening shall be conducted with a screening instrument approved by the commissioner of human services and shall be conducted by a mental health practitioner as defined in section 245.4871, subdivision 26, or a probation officer who is trained in the use of the screening instrument. If the screening indicates a need for assessment, the local social services agency, in consultation with the child's family, shall have a diagnostic assessment conducted, including a functional assessment, as defined in section 245.4871.

With the consent of the commissioner of corrections and agreement of the county to pay the costs thereof, the court may, by order, place a minor coming within its jurisdiction in an institution maintained by the commissioner for the detention, diagnosis, custody and treatment of persons adjudicated to be delinquent, in order that the condition of the minor be given due consideration in the disposition of the case. Any funds received under the provisions of this subdivision shall not cancel until the end of the fiscal year immediately following the fiscal year in which the funds were received. The funds are available for use by the commissioner of corrections during that period and are hereby appropriated annually to the commissioner of corrections as reimbursement of the costs of providing these services to the juvenile courts.

Sec. 41. Minnesota Statutes 2022, section 260B.157, subdivision 3, is amended to read:

Subd. 3. **Juvenile treatment screening team.** (a) The local social services agency shall establish a juvenile treatment screening team to conduct screenings and prepare case plans under this subdivision. The team, which may be the team constituted under section 245.4885 or 256B.092 or ~~Minnesota Rules, parts 9530.6600 to 9530.6655~~ chapter 254B, shall consist of social workers, juvenile justice professionals, and persons with expertise in the treatment of juveniles who are emotionally disabled, chemically dependent, or have a developmental disability. The team shall involve parents or guardians in the screening process as appropriate. The team may be the same team as defined in section 260C.157, subdivision 3.

(b) If the court, prior to, or as part of, a final disposition, proposes to place a child:

(1) for the primary purpose of treatment for an emotional disturbance, and residential placement is consistent with section 260.012, a developmental disability, or chemical dependency in a residential treatment facility out of state or in one which is within the state and licensed by the commissioner of human services under chapter 245A; or

(2) in any out-of-home setting potentially exceeding 30 days in duration, including a post-dispositional placement in a facility licensed by the commissioner of corrections or human services, the court shall notify the county welfare agency. The county's juvenile treatment screening team must either:

(i) screen and evaluate the child and file its recommendations with the court within 14 days of receipt of the notice; or

(ii) elect not to screen a given case, and notify the court of that decision within three working days.

(c) If the screening team has elected to screen and evaluate the child, the child may not be placed for the primary purpose of treatment for an emotional disturbance, a developmental disability, or chemical dependency, in a residential treatment facility out of state nor in a residential treatment facility within the state that is licensed under chapter 245A, unless one of the following conditions applies:

(1) a treatment professional certifies that an emergency requires the placement of the child in a facility within the state;

(2) the screening team has evaluated the child and recommended that a residential placement is necessary to meet the child's treatment needs and the safety needs of the community, that it is a cost-effective means of meeting the treatment needs, and that it will be of therapeutic value to the child; or

(3) the court, having reviewed a screening team recommendation against placement, determines to the contrary that a residential placement is necessary. The court shall state the reasons for its determination in writing, on the record, and shall respond specifically to the findings and recommendation of the screening team in explaining why the recommendation was rejected. The attorney representing the child and the prosecuting attorney shall be afforded an opportunity to be heard on the matter.

Sec. 42. Minnesota Statutes 2022, section 260C.157, subdivision 3, is amended to read:

Subd. 3. Juvenile treatment screening team. (a) The responsible social services agency shall establish a juvenile treatment screening team to conduct screenings under this chapter and chapter 260D, for a child to receive treatment for an emotional disturbance, a developmental disability, or related condition in a residential treatment facility licensed by the commissioner of human services under chapter 245A, or licensed or approved by a tribe. A screening team is not required for a child to be in: (1) a residential facility specializing in prenatal, postpartum, or parenting support; (2) a facility specializing in high-quality residential care and supportive services to children and youth who have been or are at risk of becoming victims of sex trafficking or commercial sexual exploitation; (3) supervised settings for youth who are 18 years of age or older and living independently; or (4) a licensed residential family-based treatment facility for substance abuse consistent with section 260C.190. Screenings are also not required when a child must be placed in a facility due to an emotional crisis or other mental health emergency.

(b) The responsible social services agency shall conduct screenings within 15 days of a request for a screening, unless the screening is for the purpose of residential treatment and the child is enrolled in a prepaid health program under section 256B.69, in which case the agency shall conduct the screening within ten working days of a request. The responsible social services agency shall convene the juvenile treatment screening team, which may be constituted under section 245.4885, 254B.05, or 256B.092 or Minnesota Rules, ~~parts 9530.6600 to 9530.6655~~. The team shall consist of social workers; persons with expertise in the treatment of juveniles who are emotionally disturbed, chemically dependent, or have a developmental disability; and the child's parent, guardian, or permanent legal custodian. The team may include the child's relatives as defined in section 260C.007,

subdivisions 26b and 27, the child's foster care provider, and professionals who are a resource to the child's family such as teachers, medical or mental health providers, and clergy, as appropriate, consistent with the family and permanency team as defined in section 260C.007, subdivision 16a. Prior to forming the team, the responsible social services agency must consult with the child's parents, the child if the child is age 14 or older, and, if applicable, the child's tribe to obtain recommendations regarding which individuals to include on the team and to ensure that the team is family-centered and will act in the child's best interests. If the child, child's parents, or legal guardians raise concerns about specific relatives or professionals, the team should not include those individuals. This provision does not apply to paragraph (c).

(c) If the agency provides notice to tribes under section 260.761, and the child screened is an Indian child, the responsible social services agency must make a rigorous and concerted effort to include a designated representative of the Indian child's tribe on the juvenile treatment screening team, unless the child's tribal authority declines to appoint a representative. The Indian child's tribe may delegate its authority to represent the child to any other federally recognized Indian tribe, as defined in section 260.755, subdivision 12. The provisions of the Indian Child Welfare Act of 1978, United States Code, title 25, sections 1901 to 1963, and the Minnesota Indian Family Preservation Act, sections 260.751 to 260.835, apply to this section.

(d) If the court, prior to, or as part of, a final disposition or other court order, proposes to place a child with an emotional disturbance or developmental disability or related condition in residential treatment, the responsible social services agency must conduct a screening. If the team recommends treating the child in a qualified residential treatment program, the agency must follow the requirements of sections 260C.70 to 260C.714.

The court shall ascertain whether the child is an Indian child and shall notify the responsible social services agency and, if the child is an Indian child, shall notify the Indian child's tribe as paragraph (c) requires.

(e) When the responsible social services agency is responsible for placing and caring for the child and the screening team recommends placing a child in a qualified residential treatment program as defined in section 260C.007, subdivision 26d, the agency must: (1) begin the assessment and processes required in section 260C.704 without delay; and (2) conduct a relative search according to section 260C.221 to assemble the child's family and permanency team under section 260C.706. Prior to notifying relatives regarding the family and permanency team, the responsible social services agency must consult with the child's parent or legal guardian, the child if the child is age 14 or older, and, if applicable, the child's tribe to ensure that the agency is providing notice to individuals who will act in the child's best interests. The child and the child's parents may identify a culturally competent qualified individual to complete the child's assessment. The agency shall make efforts to refer the assessment to the identified qualified individual. The assessment may not be delayed for the purpose of having the assessment completed by a specific qualified individual.

(f) When a screening team determines that a child does not need treatment in a qualified residential treatment program, the screening team must:

(1) document the services and supports that will prevent the child's foster care placement and will support the child remaining at home;

(2) document the services and supports that the agency will arrange to place the child in a family foster home; or

(3) document the services and supports that the agency has provided in any other setting.

(g) When the Indian child's tribe or tribal health care services provider or Indian Health Services provider proposes to place a child for the primary purpose of treatment for an emotional disturbance, a developmental disability, or co-occurring emotional disturbance and chemical dependency, the Indian child's tribe or the tribe delegated by the child's tribe shall submit necessary documentation to the county juvenile treatment screening team, which must invite the Indian child's tribe to designate a representative to the screening team.

(h) The responsible social services agency must conduct and document the screening in a format approved by the commissioner of human services.

Sec. 43. Minnesota Statutes 2022, section 260E.20, subdivision 1, is amended to read:

Subdivision 1. **General duties.** (a) The local welfare agency shall offer services to prevent future maltreatment, safeguarding and enhancing the welfare of the maltreated child, and supporting and preserving family life whenever possible.

(b) If the report alleges a violation of a criminal statute involving maltreatment or child endangerment under section 609.378, the local law enforcement agency and local welfare agency shall coordinate the planning and execution of their respective investigation and assessment efforts to avoid a duplication of fact-finding efforts and multiple interviews. Each agency shall prepare a separate report of the results of the agency's investigation or assessment.

(c) In cases of alleged child maltreatment resulting in death, the local agency may rely on the fact-finding efforts of a law enforcement investigation to make a determination of whether or not maltreatment occurred.

(d) When necessary, the local welfare agency shall seek authority to remove the child from the custody of a parent, guardian, or adult with whom the child is living.

(e) In performing any of these duties, the local welfare agency shall maintain an appropriate record.

(f) In conducting a family assessment or investigation, the local welfare agency shall gather information on the existence of substance abuse and domestic violence.

(g) If the family assessment or investigation indicates there is a potential for abuse of alcohol or other drugs by the parent, guardian, or person responsible for the child's care, the local welfare agency ~~shall conduct~~ must coordinate a chemical use comprehensive assessment pursuant to ~~Minnesota Rules, part 9530.6615~~ section 245G.05.

(h) The agency may use either a family assessment or investigation to determine whether the child is safe when responding to a report resulting from birth match data under section 260E.03, subdivision 23, paragraph (c). If the child subject of birth match data is determined to be safe, the agency shall consult with the county attorney to determine the appropriateness of filing a petition

alleging the child is in need of protection or services under section 260C.007, subdivision 6, clause (16), in order to deliver needed services. If the child is determined not to be safe, the agency and the county attorney shall take appropriate action as required under section 260C.503, subdivision 2.

Sec. 44. Minnesota Statutes 2022, section 299A.299, subdivision 1, is amended to read:

Subdivision 1. **Establishment of team.** A county, a multicounty organization of counties formed by an agreement under section 471.59, or a city with a population of no more than 50,000, may establish a multidisciplinary chemical abuse prevention team. The chemical abuse prevention team may include, but not be limited to, representatives of health, mental health, public health, law enforcement, educational, social service, court service, community education, religious, and other appropriate agencies, and parent and youth groups. For purposes of this section, "chemical abuse" has the meaning given in ~~Minnesota Rules, part 9530.6605, subpart 6~~ section 254A.02, subdivision 6a. When possible the team must coordinate its activities with existing local groups, organizations, and teams dealing with the same issues the team is addressing.

Sec. 45. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber the subdivisions in Minnesota Statutes, section 254B.01, in alphabetical order and correct any cross-reference changes that result.

Sec. 46. **REPEALER.**

(a) Minnesota Statutes 2022, sections 169A.70, subdivision 6; 245G.22, subdivision 19; 254A.02, subdivision 8a; 254A.16, subdivision 6; 254A.19, subdivisions 1a, 2, and 5; 254B.04, subdivisions 2b and 2c; and 254B.041, subdivision 2, are repealed.

(b) Minnesota Rules, parts 9530.7000, subparts 1, 2, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 17a, 19, 20, and 21; 9530.7005; 9530.7010; 9530.7012; 9530.7015, subparts 1, 2a, 4, 5, and 6; 9530.7020, subparts 1, 1a, and 2; 9530.7021; 9530.7022, subpart 1; 9530.7025; and 9530.7030, subpart 1, are repealed.

ARTICLE 3

AGING, DISABILITY, AND BEHAVIORAL HEALTH SERVICES POLICY

Section 1. Minnesota Statutes 2022, section 245.462, subdivision 3, is amended to read:

Subd. 3. **Case management services.** "Case management services" means activities that are coordinated with the community support services program as defined in subdivision 6 and are designed to help adults with serious and persistent mental illness in gaining access to needed medical, social, educational, vocational, and other necessary services as they relate to the client's mental health needs. Case management services include developing a functional assessment, an individual ~~assessment summary~~ community support plan, referring and assisting the person to obtain needed mental health and other services, ensuring coordination of services, and monitoring the delivery of services.

Sec. 2. Minnesota Statutes 2022, section 245.462, subdivision 12, is amended to read:

Subd. 12. **Individual ~~assessment summary~~ community support plan.** "Individual ~~assessment summary~~ community support plan" means a written plan developed by a case manager on the basis of a diagnostic assessment and functional assessment. The plan identifies specific services needed by an adult with serious and persistent mental illness to develop independence or improved functioning in daily living, health and medication management, social functioning, interpersonal relationships, financial management, housing, transportation, and employment.

Sec. 3. Minnesota Statutes 2022, section 245.4711, subdivision 3, is amended to read:

Subd. 3. **Duties of case manager.** Upon a determination of eligibility for case management services, and if the adult consents to the services, the case manager shall complete a written functional assessment according to section 245.462, subdivision 11a. The case manager shall develop an individual ~~assessment summary~~ community support plan for the adult according to subdivision 4, paragraph (a), review the adult's progress, and monitor the provision of services. If services are to be provided in a host county that is not the county of financial responsibility, the case manager shall consult with the host county and obtain a letter demonstrating the concurrence of the host county regarding the provision of services.

Sec. 4. Minnesota Statutes 2022, section 245.4711, subdivision 4, is amended to read:

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

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

- (1) the goals of each service;
- (2) the activities for accomplishing each goal;
- (3) a schedule for each activity; and
- (4) the frequency of face-to-face contacts by the case manager, as appropriate to client need and the implementation of the individual ~~assessment summary~~ community support plan.

Sec. 5. Minnesota Statutes 2022, section 245.477, is amended to read:

245.477 APPEALS.

Any adult who requests mental health services under sections 245.461 to 245.486 must be advised of services available and the right to appeal at the time of the request and each time the individual ~~assessment summary~~ community support plan or individual treatment plan is reviewed. Any adult whose request for mental health services under sections 245.461 to 245.486 is denied, not acted upon with reasonable promptness, or whose services are suspended, reduced, or terminated by action or inaction for which the county board is responsible under sections 245.461 to 245.486 may contest that action or inaction before the state agency as specified in section 256.045. The commissioner shall monitor the nature and frequency of administrative appeals under this section.

Sec. 6. Minnesota Statutes 2022, section 245.4835, subdivision 2, is amended to read:

Subd. 2. **Failure to maintain expenditures.** (a) If a county does not comply with subdivision 1, the commissioner shall require the county to develop a corrective action plan according to a format and timeline established by the commissioner. If the commissioner determines that a county has not developed an acceptable corrective action plan within the required timeline, or that the county is not in compliance with an approved corrective action plan, the protections provided to that county under section 245.485 do not apply.

(b) The commissioner shall consider the following factors to determine whether to approve a county's corrective action plan:

(1) the degree to which a county is maximizing revenues for mental health services from noncounty sources;

(2) the degree to which a county is expanding use of alternative services that meet mental health needs, but do not count as mental health services within existing reporting systems. If approved by the commissioner, the alternative services must be included in the county's base as well as subsequent years. The commissioner's approval for alternative services must be based on the following criteria:

(i) the service must be provided to children with emotional disturbance or adults with mental illness;

(ii) the services must be based on an individual treatment plan or individual ~~assessment summary~~ community support plan as defined in the Comprehensive Mental Health Act; and

(iii) the services must be supervised by a mental health professional and provided by staff who meet the staff qualifications defined in sections 256B.0943, subdivision 7, and 256B.0623, subdivision 5.

(c) Additional county expenditures to make up for the prior year's underspending may be spread out over a two-year period.

Sec. 7. Minnesota Statutes 2022, section 245.4871, subdivision 3, is amended to read:

Subd. 3. **Case management services.** "Case management services" means activities that are coordinated with the family community support services and are designed to help the child with severe emotional disturbance and the child's family obtain needed mental health services, social services, educational services, health services, vocational services, recreational services, and related services in the areas of volunteer services, advocacy, transportation, and legal services. Case

management services include assisting in obtaining a comprehensive diagnostic assessment, developing an individual family ~~assessment summary~~ community support plan, and assisting the child and the child's family in obtaining needed services by coordination with other agencies and assuring continuity of care. Case managers must assess and reassess the delivery, appropriateness, and effectiveness of services over time.

Sec. 8. Minnesota Statutes 2022, section 245.4871, subdivision 19, is amended to read:

Subd. 19. **Individual family ~~assessment summary~~ community support plan.** "Individual family ~~assessment summary~~ community support plan" means a written plan developed by a case manager in conjunction with the family and the child with severe emotional disturbance on the basis of a diagnostic assessment and a functional assessment. The plan identifies specific services needed by a child and the child's family to:

- (1) treat the symptoms and dysfunctions determined in the diagnostic assessment;
- (2) relieve conditions leading to emotional disturbance and improve the personal well-being of the child;
- (3) improve family functioning;
- (4) enhance daily living skills;
- (5) improve functioning in education and recreation settings;
- (6) improve interpersonal and family relationships;
- (7) enhance vocational development; and
- (8) assist in obtaining transportation, housing, health services, and employment.

Sec. 9. Minnesota Statutes 2022, section 245.4873, subdivision 4, is amended to read:

Subd. 4. **Individual case coordination.** The case manager designated under section 245.4881 is responsible for ongoing coordination with any other person responsible for planning, development, and delivery of social services, education, corrections, health, or vocational services for the individual child. The individual family ~~assessment summary~~ community support plan developed by the case manager shall reflect the coordination among the local service system providers.

Sec. 10. Minnesota Statutes 2022, section 245.4881, subdivision 3, is amended to read:

Subd. 3. **Duties of case manager.** (a) Upon a determination of eligibility for case management services, the case manager shall develop an individual family ~~assessment summary~~ community support plan for a child as specified in subdivision 4, review the child's progress, and monitor the provision of services. If services are to be provided in a host county that is not the county of financial responsibility, the case manager shall consult with the host county and obtain a letter demonstrating the concurrence of the host county regarding the provision of services.

(b) The case manager shall note in the child's record the services needed by the child and the child's family, the services requested by the family, services that are not available, and the unmet needs of the child and child's family. The case manager shall note this provision in the child's record.

Sec. 11. Minnesota Statutes 2022, section 245.4881, subdivision 4, is amended to read:

Subd. 4. **Individual family ~~assessment summary~~ community support plan.** (a) For each child, the case manager must develop an individual family ~~assessment summary~~ community support plan that incorporates the child's individual treatment plan. The individual treatment plan may not be a substitute for the development of an individual family ~~assessment summary~~ community support plan. The case manager is responsible for developing the individual family ~~assessment summary~~ community support plan within 30 days of intake based on a diagnostic assessment and for implementing and monitoring the delivery of services according to the individual family ~~assessment summary~~ community support plan. The case manager must review the plan at least every 180 calendar days after it is developed, unless the case manager has received a written request from the child's family or an advocate for the child for a review of the plan every 90 days after it is developed. To the extent appropriate, the child with severe emotional disturbance, the child's family, advocates, service providers, and significant others must be involved in all phases of development and implementation of the individual family ~~assessment summary~~ community support plan. Notwithstanding the lack of an individual family ~~assessment summary~~ community support plan, the case manager shall assist the child and child's family in accessing the needed services listed in section 245.4884, subdivision 1.

(b) The child's individual family ~~assessment summary~~ community support plan must state:

(1) the goals and expected outcomes of each service and criteria for evaluating the effectiveness and appropriateness of the service;

(2) the activities for accomplishing each goal;

(3) a schedule for each activity; and

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

Sec. 12. Minnesota Statutes 2022, section 245.4885, subdivision 1, is amended to read:

Subdivision 1. **Admission criteria.** (a) Prior to admission or placement, except in the case of an emergency, all children referred for treatment of severe emotional disturbance in a treatment foster care setting, residential treatment facility, or informally admitted to a regional treatment center shall undergo an assessment to determine the appropriate level of care if county funds are used to pay for the child's services. An emergency includes when a child is in need of and has been referred for crisis stabilization services under section 245.4882, subdivision 6. A child who has been referred to residential treatment for crisis stabilization services in a residential treatment center is not required to undergo an assessment under this section.

(b) The county board shall determine the appropriate level of care for a child when county-controlled funds are used to pay for the child's residential treatment under this chapter, including residential treatment provided in a qualified residential treatment program as defined in

section 260C.007, subdivision 26d. When a county board does not have responsibility for a child's placement and the child is enrolled in a prepaid health program under section 256B.69, the enrolled child's contracted health plan must determine the appropriate level of care for the child. When Indian Health Services funds or funds of a tribally owned facility funded under the Indian Self-Determination and Education Assistance Act, Public Law 93-638, are used for the child, the Indian Health Services or 638 tribal health facility must determine the appropriate level of care for the child. When more than one entity bears responsibility for a child's coverage, the entities shall coordinate level of care determination activities for the child to the extent possible.

(c) The child's level of care determination shall determine whether the proposed treatment:

- (1) is necessary;
- (2) is appropriate to the child's individual treatment needs;
- (3) cannot be effectively provided in the child's home; and
- (4) provides a length of stay as short as possible consistent with the individual child's needs.

(d) When a level of care determination is conducted, the county board or other entity may not determine that a screening of a child, referral, or admission to a residential treatment facility is not appropriate solely because services were not first provided to the child in a less restrictive setting and the child failed to make progress toward or meet treatment goals in the less restrictive setting. The level of care determination must be based on a diagnostic assessment of a child that evaluates the child's family, school, and community living situations; and an assessment of the child's need for care out of the home using a validated tool which assesses a child's functional status and assigns an appropriate level of care to the child. The validated tool must be approved by the commissioner of human services and may be the validated tool approved for the child's assessment under section 260C.704 if the juvenile treatment screening team recommended placement of the child in a qualified residential treatment program. If a diagnostic assessment has been completed by a mental health professional within the past 180 days, a new diagnostic assessment need not be completed unless in the opinion of the current treating mental health professional the child's mental health status has changed markedly since the assessment was completed. The child's parent shall be notified if an assessment will not be completed and of the reasons. A copy of the notice shall be placed in the child's file. Recommendations developed as part of the level of care determination process shall include specific community services needed by the child and, if appropriate, the child's family, and shall indicate whether these services are available and accessible to the child and the child's family. The child and the child's family must be invited to any meeting where the level of care determination is discussed and decisions regarding residential treatment are made. The child and the child's family may invite other relatives, friends, or advocates to attend these meetings.

(e) During the level of care determination process, the child, child's family, or child's legal representative, as appropriate, must be informed of the child's eligibility for case management services and family community support services and that an individual family ~~assessment summary~~ community support plan is being developed by the case manager, if assigned.

(f) The level of care determination, placement decision, and recommendations for mental health services must be documented in the child's record and made available to the child's family, as appropriate.

Sec. 13. Minnesota Statutes 2022, section 245.4887, is amended to read:

245.4887 APPEALS.

A child or a child's family, as appropriate, who requests mental health services under sections 245.487 to 245.4889 must be advised of services available and the right to appeal as described in this section at the time of the request and each time the individual family ~~assessment summary~~ community support plan or individual treatment plan is reviewed. A child whose request for mental health services under sections 245.487 to 245.4889 is denied, not acted upon with reasonable promptness, or whose services are suspended, reduced, or terminated by action or inaction for which the county board is responsible under sections 245.487 to 245.4889 may contest that action or inaction before the state agency according to section 256.045. The commissioner shall monitor the nature and frequency of administrative appeals under this section.

Sec. 14. Minnesota Statutes 2022, section 245A.03, subdivision 7, is amended to read:

Subd. 7. **Licensing moratorium.** (a) The commissioner shall not issue an initial license for child foster care licensed under Minnesota Rules, parts 2960.3000 to 2960.3340, or adult foster care licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, under this chapter for a physical location that will not be the primary residence of the license holder for the entire period of licensure. If a family child foster care home or family adult foster care home license is issued during this moratorium, and the license holder changes the license holder's primary residence away from the physical location of the foster care license, the commissioner shall revoke the license according to section 245A.07. The commissioner shall not issue an initial license for a community residential setting licensed under chapter 245D. When approving an exception under this paragraph, the commissioner shall consider the resource need determination process in paragraph (h), the availability of foster care licensed beds in the geographic area in which the licensee seeks to operate, the results of a person's choices during their annual assessment and service plan review, and the recommendation of the local county board. The determination by the commissioner is final and not subject to appeal. Exceptions to the moratorium include:

(1) ~~foster care settings~~ a license for a person in a foster care setting that is not the primary residence of the license holder and where at least 80 percent of the residents are 55 years of age or older;

(2) foster care licenses replacing foster care licenses in existence on May 15, 2009, or community residential setting licenses replacing adult foster care licenses in existence on December 31, 2013, and determined to be needed by the commissioner under paragraph (b);

(3) new foster care licenses or community residential setting licenses determined to be needed by the commissioner under paragraph (b) for the closure of a nursing facility, ICF/DD, or regional treatment center; restructuring of state-operated services that limits the capacity of state-operated facilities; or allowing movement to the community for people who no longer require the level of care provided in state-operated facilities as provided under section 256B.092, subdivision 13, or 256B.49, subdivision 24;

(4) new foster care licenses or community residential setting licenses determined to be needed by the commissioner under paragraph (b) for persons requiring hospital-level care; or

(5) new foster care licenses or community residential setting licenses for people receiving customized living or 24-hour customized living services under the brain injury or community access for disability inclusion waiver plans under section 256B.49 and residing in the customized living setting before July 1, 2022, for which a license is required. A customized living service provider subject to this exception may rebut the presumption that a license is required by seeking a reconsideration of the commissioner's determination. The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14. The exception is available until June 30, 2023. This exception is available when:

(i) the person's customized living services are provided in a customized living service setting serving four or fewer people under the brain injury or community access for disability inclusion waiver plans under section 256B.49 in a single-family home operational on or before June 30, 2021. Operational is defined in section 256B.49, subdivision 28;

(ii) the person's case manager provided the person with information about the choice of service, service provider, and location of service, including in the person's home, to help the person make an informed choice; and

(iii) the person's services provided in the licensed foster care or community residential setting are less than or equal to the cost of the person's services delivered in the customized living setting as determined by the lead agency.

(b) The commissioner shall determine the need for newly licensed foster care homes or community residential settings as defined under this subdivision. As part of the determination, the commissioner shall consider the availability of foster care capacity in the area in which the licensee seeks to operate, and the recommendation of the local county board. The determination by the commissioner must be final. A determination of need is not required for a change in ownership at the same address.

(c) When an adult resident served by the program moves out of a foster home that is not the primary residence of the license holder according to section 256B.49, subdivision 15, paragraph (f), or the adult community residential setting, the county shall immediately inform the Department of Human Services Licensing Division. The department may decrease the statewide licensed capacity for adult foster care settings.

(d) Residential settings that would otherwise be subject to the decreased license capacity established in paragraph (c) shall be exempt if the license holder's beds are occupied by residents whose primary diagnosis is mental illness and the license holder is certified under the requirements in subdivision 6a or section 245D.33.

(e) A resource need determination process, managed at the state level, using the available data required by section 144A.351, and other data and information shall be used to determine where the reduced capacity determined under section 256B.493 will be implemented. The commissioner shall consult with the stakeholders described in section 144A.351, and employ a variety of methods to improve the state's capacity to meet the informed decisions of those people who want to move out of corporate foster care or community residential settings, long-term service needs within budgetary limits, including seeking proposals from service providers or lead agencies to change service type,

capacity, or location to improve services, increase the independence of residents, and better meet needs identified by the long-term services and supports reports and statewide data and information.

(f) At the time of application and reapplication for licensure, the applicant and the license holder that are subject to the moratorium or an exclusion established in paragraph (a) are required to inform the commissioner whether the physical location where the foster care will be provided is or will be the primary residence of the license holder for the entire period of licensure. If the primary residence of the applicant or license holder changes, the applicant or license holder must notify the commissioner immediately. The commissioner shall print on the foster care license certificate whether or not the physical location is the primary residence of the license holder.

(g) License holders of foster care homes identified under paragraph (f) that are not the primary residence of the license holder and that also provide services in the foster care home that are covered by a federally approved home and community-based services waiver, as authorized under chapter 256S or section 256B.092 or 256B.49, must inform the human services licensing division that the license holder provides or intends to provide these waiver-funded services.

(h) The commissioner may adjust capacity to address needs identified in section 144A.351. Under this authority, the commissioner may approve new licensed settings or delicense existing settings. Delicensing of settings will be accomplished through a process identified in section 256B.493.

(i) The commissioner must notify a license holder when its corporate foster care or community residential setting licensed beds are reduced under this section. The notice of reduction of licensed beds must be in writing and delivered to the license holder by certified mail or personal service. The notice must state why the licensed beds are reduced and must inform the license holder of its right to request reconsideration by the commissioner. The license holder's request for reconsideration must be in writing. If mailed, the request for reconsideration must be postmarked and sent to the commissioner within 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds. If a request for reconsideration is made by personal service, it must be received by the commissioner within 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds.

(j) The commissioner shall not issue an initial license for children's residential treatment services licensed under Minnesota Rules, parts 2960.0580 to 2960.0700, under this chapter for a program that Centers for Medicare and Medicaid Services would consider an institution for mental diseases. Facilities that serve only private pay clients are exempt from the moratorium described in this paragraph. The commissioner has the authority to manage existing statewide capacity for children's residential treatment services subject to the moratorium under this paragraph and may issue an initial license for such facilities if the initial license would not increase the statewide capacity for children's residential treatment services subject to the moratorium under this paragraph.

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

Sec. 15. Minnesota Statutes 2022, section 245A.11, subdivision 7, is amended to read:

Subd. 7. **Adult foster care and community residential settings; variance for alternate overnight supervision.** (a) The commissioner may grant a variance under section 245A.04, subdivision 9, to statutes and rule parts requiring a caregiver to be present in an adult foster care

home or a community residential setting during normal sleeping hours to allow for alternative methods of overnight supervision. The commissioner may grant the variance if the local county licensing agency recommends the variance and the county recommendation includes documentation verifying that:

(1) the county has approved the license holder's plan for alternative methods of providing overnight supervision and determined the plan protects the residents' health, safety, and rights;

(2) the license holder has obtained written and signed informed consent from each resident or each resident's legal representative documenting the resident's or legal representative's agreement with the alternative method of overnight supervision; and

(3) the alternative method of providing overnight supervision, which may include the use of technology, is specified for each resident in the resident's: (i) individualized plan of care; (ii) ~~individual service support~~ plan under section 256B.092, subdivision 1b, if required; or (iii) individual resident placement agreement under Minnesota Rules, part 9555.5105, subpart 19, if required.

(b) To be eligible for a variance under paragraph (a), the adult foster care or community residential setting license holder must not have had a conditional license issued under section 245A.06, or any other licensing sanction issued under section 245A.07 during the prior 24 months based on failure to provide adequate supervision, health care services, or resident safety in the adult foster care home or community residential setting.

(c) A license holder requesting a variance under this subdivision to utilize technology as a component of a plan for alternative overnight supervision may request the commissioner's review in the absence of a county recommendation. Upon receipt of such a request from a license holder, the commissioner shall review the variance request with the county.

~~(d) A variance granted by the commissioner according to this subdivision before January 1, 2014, to a license holder for an adult foster care home must transfer with the license when the license converts to a community residential setting license under chapter 245D. The terms and conditions of the variance remain in effect as approved at the time the variance was granted.~~

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

Sec. 16. Minnesota Statutes 2022, section 245A.16, subdivision 1, is amended to read:

Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and private agencies that have been designated or licensed by the commissioner to perform licensing functions and activities under section 245A.04 and background studies for family child care under chapter 245C; to recommend denial of applicants under section 245A.05; to issue correction orders, to issue variances, and recommend a conditional license under section 245A.06; or to recommend suspending or revoking a license or issuing a fine under section 245A.07, shall comply with rules and directives of the commissioner governing those functions and with this section. The following variances are excluded from the delegation of variance authority and may be issued only by the commissioner:

(1) dual licensure of family child care and family child foster care, dual licensure of family child foster care and family adult foster care, dual licensure of child foster residence setting and community residential setting, and dual licensure of family adult foster care and family child care;

- (2) adult foster care maximum capacity;
- (3) adult foster care minimum age requirement;
- (4) child foster care maximum age requirement;

(5) variances regarding disqualified individuals except that, before the implementation of NETStudy 2.0, county agencies may issue variances under section 245C.30 regarding disqualified individuals when the county is responsible for conducting a consolidated reconsideration according to sections 245C.25 and 245C.27, subdivision 2, clauses (a) and (b), of a county maltreatment determination and a disqualification based on serious or recurring maltreatment;

(6) the required presence of a caregiver in the adult foster care residence during normal sleeping hours;

(7) variances to requirements relating to chemical use problems of a license holder or a household member of a license holder; and

(8) variances to section 245A.53 for a time-limited period. If the commissioner grants a variance under this clause, the license holder must provide notice of the variance to all parents and guardians of the children in care.

Except as provided in section 245A.14, subdivision 4, paragraph (e), a county agency must not grant a license holder a variance to exceed the maximum allowable family child care license capacity of 14 children.

(b) A county agency that has been designated by the commissioner to issue family child care variances must:

(1) publish the county agency's policies and criteria for issuing variances on the county's public website and update the policies as necessary; and

(2) annually distribute the county agency's policies and criteria for issuing variances to all family child care license holders in the county.

(c) Before the implementation of NETStudy 2.0, county agencies must report information about disqualification reconsiderations under sections 245C.25 and 245C.27, subdivision 2, paragraphs (a) and (b), and variances granted under paragraph (a), clause (5), to the commissioner at least monthly in a format prescribed by the commissioner.

(d) For family child care programs, the commissioner shall require a county agency to conduct one unannounced licensing review at least annually.

(e) For family adult day services programs, the commissioner may authorize licensing reviews every two years after a licensee has had at least one annual review.

(f) A license issued under this section may be issued for up to two years.

(g) During implementation of chapter 245D, the commissioner shall consider:

(1) the role of counties in quality assurance;

(2) the duties of county licensing staff; and

(3) the possible use of joint powers agreements, according to section 471.59, with counties through which some licensing duties under chapter 245D may be delegated by the commissioner to the counties.

Any consideration related to this paragraph must meet all of the requirements of the corrective action plan ordered by the federal Centers for Medicare and Medicaid Services.

(h) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or successor provisions; and section 245D.061 or successor provisions, for family child foster care programs providing out-of-home respite, as identified in section 245D.03, subdivision 1, paragraph (b), clause (1), is excluded from the delegation of authority to county and private agencies.

(i) A county agency shall report to the commissioner, in a manner prescribed by the commissioner, the following information for a licensed family child care program:

(1) the results of each licensing review completed, including the date of the review, and any licensing correction order issued;

(2) any death, serious injury, or determination of substantiated maltreatment; and

(3) any fires that require the service of a fire department within 48 hours of the fire. The information under this clause must also be reported to the state fire marshal within two business days of receiving notice from a licensed family child care provider.

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

Sec. 17. Minnesota Statutes 2022, section 245D.03, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** (a) The commissioner shall regulate the provision of home and community-based services to persons with disabilities and persons age 65 and older pursuant to this chapter. The licensing standards in this chapter govern the provision of basic support services and intensive support services.

(b) Basic support services provide the level of assistance, supervision, and care that is necessary to ensure the health and welfare of the person and do not include services that are specifically directed toward the training, treatment, habilitation, or rehabilitation of the person. Basic support services include:

(1) in-home and out-of-home respite care services as defined in section 245A.02, subdivision 15, and under the brain injury, community alternative care, community access for disability inclusion, developmental disabilities, and elderly waiver plans, excluding out-of-home respite care provided to children in a family child foster care home licensed under Minnesota Rules, parts 2960.3000 to 2960.3100, when the child foster care license holder complies with the requirements under section 245D.06, subdivisions 5, 6, 7, and 8, or successor provisions; and section 245D.061 or successor provisions, which must be stipulated in the statement of intended use required under Minnesota Rules, part 2960.3000, subpart 4;

(2) adult companion services as defined under the ~~brain injury, community access for disability inclusion, community alternative care, and elderly waiver plans~~ plan, excluding adult companion services provided under the Corporation for National and Community Services Senior Companion Program established under the Domestic Volunteer Service Act of 1973, Public Law 98-288;

~~(3) personal support as defined under the developmental disabilities waiver plan;~~

~~(4)~~ (3) 24-hour emergency assistance, personal emergency response as defined under the community access for disability inclusion and developmental disabilities waiver plans;

~~(5)~~ (4) night supervision services as defined under the brain injury, community access for disability inclusion, community alternative care, and developmental disabilities waiver plans;

~~(6)~~ (5) homemaker services as defined under the community access for disability inclusion, brain injury, community alternative care, developmental disabilities, and elderly waiver plans, excluding providers licensed by the Department of Health under chapter 144A and those providers providing cleaning services only;

~~(7)~~ (6) individual community living support under section 256S.13; and

~~(8)~~ (7) individualized home supports without training services as defined under the brain injury, community alternative care, and community access for disability inclusion, and developmental disabilities waiver plans.

(c) Intensive support services provide assistance, supervision, and care that is necessary to ensure the health and welfare of the person and services specifically directed toward the training, habilitation, or rehabilitation of the person. Intensive support services include:

(1) intervention services, including:

(i) positive support services as defined under the brain injury and community access for disability inclusion, community alternative care, and developmental disabilities waiver plans;

(ii) in-home or out-of-home crisis respite services as defined under the brain injury, community access for disability inclusion, community alternative care, and developmental disabilities waiver plans; and

(iii) specialist services as defined under the current brain injury, community access for disability inclusion, community alternative care, and developmental disabilities waiver plans;

(2) in-home support services, including:

~~(i) in-home family support and supported living services as defined under the developmental disabilities waiver plan;~~

~~(ii) independent living services training as defined under the brain injury and community access for disability inclusion waiver plans;~~

~~(iii)~~ (i) semi-independent living services;

~~(iv)~~ (ii) individualized home support with training services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans; and

~~(v)~~ (iii) individualized home support with family training services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans;

(3) residential supports and services, including:

~~(i) supported living services as defined under the developmental disabilities waiver plan provided in a family or corporate child foster care residence, a family adult foster care residence, a community residential setting, or a supervised living facility;~~

~~(ii) foster care services as defined in the brain injury, community alternative care, and community access for disability inclusion waiver plans provided in a family or corporate child foster care residence, a family adult foster care residence, or a community residential setting;~~

~~(iii)~~ (i) community residential services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans provided in a corporate child foster care residence, a community residential setting, or a supervised living facility;

~~(iv)~~ (ii) family residential services as defined in the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans provided in a family child foster care residence or a family adult foster care residence; and

~~(v)~~ (iii) residential services provided to more than four persons with developmental disabilities in a supervised living facility, including ICFs/DD;

(4) day services, including:

~~(i) structured day services as defined under the brain injury waiver plan;~~

~~(ii)~~ (i) day services under sections 252.41 to 252.46, and as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans; and

~~(iii) day training and habilitation services under sections 252.41 to 252.46, and as defined under the developmental disabilities waiver plan; and~~

~~(iv)~~ (ii) prevocational services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans; and

(5) employment exploration services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans;

(6) employment development services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans;

(7) employment support services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans; and

(8) integrated community support as defined under the brain injury and community access for disability inclusion waiver plans beginning January 1, 2021, and community alternative care and developmental disabilities waiver plans beginning January 1, 2023.

Sec. 18. Minnesota Statutes 2022, section 246.0135, is amended to read:

246.0135 OPERATION OF REGIONAL TREATMENT CENTERS.

(a) The commissioner of human services is prohibited from closing any regional treatment center or state-operated nursing home or any program at any of the regional treatment centers or state-operated nursing homes, without specific legislative authorization. ~~For persons with developmental disabilities who move from one regional treatment center to another regional treatment center, the provisions of section 256B.092, subdivision 10, must be followed for both the discharge from one regional treatment center and admission to another regional treatment center, except that the move is not subject to the consensus requirement of section 256B.092, subdivision 10, paragraph (b).~~

(b) Prior to closing or downsizing a regional treatment center, the commissioner of human services shall be responsible for assuring that community-based alternatives developed in response are adequate to meet the program needs identified by each county within the catchment area and do not require additional local county property tax expenditures.

(c) The nonfederal share of the cost of alternative treatment or care developed as the result of the closure of a regional treatment center, including costs associated with fulfillment of responsibilities under chapter 253B shall be paid from state funds appropriated for purposes specified in section 246.013.

(d) The commissioner may not divert state funds used for providing for care or treatment of persons residing in a regional treatment center for purposes unrelated to the care and treatment of such persons.

Sec. 19. Minnesota Statutes 2022, section 254A.035, subdivision 2, is amended to read:

Subd. 2. **Membership terms, compensation, removal and expiration.** The membership of this council shall be composed of 17 persons who are American Indians and who are appointed by the commissioner. The commissioner shall appoint one representative from each of the following groups: Red Lake Band of Chippewa Indians; Fond du Lac Band, Minnesota Chippewa Tribe; Grand Portage Band, Minnesota Chippewa Tribe; Leech Lake Band, Minnesota Chippewa Tribe; Mille Lacs Band, Minnesota Chippewa Tribe; Bois Forte Band, Minnesota Chippewa Tribe; White Earth Band, Minnesota Chippewa Tribe; Lower Sioux Indian Reservation; Prairie Island Sioux Indian Reservation; Shakopee Mdewakanton Sioux Indian Reservation; Upper Sioux Indian Reservation; International Falls Northern Range; Duluth Urban Indian Community; and two representatives from the Minneapolis Urban Indian Community and two from the St. Paul Urban Indian Community. The terms, compensation, and removal of American Indian Advisory Council members shall be as provided in section 15.059. ~~The council expires June 30, 2023.~~

Sec. 20. Minnesota Statutes 2022, section 254B.05, subdivision 1a, is amended to read:

Subd. 1a. **Room and board provider requirements.** (a) Effective January 1, 2000, vendors of room and board are eligible for behavioral health fund payment if the vendor:

(1) has rules prohibiting residents bringing chemicals into the facility or using chemicals while residing in the facility and provide consequences for infractions of those rules;

(2) is determined to meet applicable health and safety requirements;

(3) is not a jail or prison;

(4) is not concurrently receiving funds under chapter 256I for the recipient;

(5) admits individuals who are 18 years of age or older;

(6) is registered as a board and lodging or lodging establishment according to section 157.17;

(7) has awake staff on site ~~24 hours per day~~ whenever a client is present;

(8) has staff who are at least 18 years of age and meet the requirements of section 245G.11, subdivision 1, paragraph (b);

(9) has emergency behavioral procedures that meet the requirements of section 245G.16;

(10) meets the requirements of section 245G.08, subdivision 5, if administering medications to clients;

(11) meets the abuse prevention requirements of section 245A.65, including a policy on fraternization and the mandatory reporting requirements of section 626.557;

(12) documents coordination with the treatment provider to ensure compliance with section 254B.03, subdivision 2;

(13) protects client funds and ensures freedom from exploitation by meeting the provisions of section 245A.04, subdivision 13;

(14) has a grievance procedure that meets the requirements of section 245G.15, subdivision 2; and

(15) has sleeping and bathroom facilities for men and women separated by a door that is locked, has an alarm, or is supervised by awake staff.

(b) Programs licensed according to Minnesota Rules, chapter 2960, are exempt from paragraph (a), clauses (5) to (15).

(c) Programs providing children's mental health crisis admissions and stabilization under section 245.4882, subdivision 6, are eligible vendors of room and board.

(d) Licensed programs providing intensive residential treatment services or residential crisis stabilization services pursuant to section 256B.0622 or 256B.0624 are eligible vendors of room and board and are exempt from paragraph (a), clauses (6) to (15).

(e) A vendor that is not licensed as a residential treatment program must have a policy to address staffing coverage when a client may unexpectedly need to be present at the room and board site.

Sec. 21. Minnesota Statutes 2022, section 254B.05, subdivision 5, is amended to read:

Subd. 5. **Rate requirements.** (a) The commissioner shall establish rates for substance use disorder services and service enhancements funded under this chapter.

(b) Eligible substance use disorder treatment services include:

(1) outpatient treatment services that are licensed according to sections 245G.01 to 245G.17, or applicable tribal license;

(2) comprehensive assessments provided according to sections 245.4863, paragraph (a), and 245G.05;

(3) care coordination services provided according to section 245G.07, subdivision 1, paragraph (a), clause (5);

(4) peer recovery support services provided according to section 245G.07, subdivision 2, clause (8);

(5) on July 1, 2019, or upon federal approval, whichever is later, withdrawal management services provided according to chapter 245F;

(6) substance use disorder treatment services with medications for opioid use disorder that are licensed according to sections 245G.01 to 245G.17 and 245G.22, or applicable tribal license;

(7) substance use disorder treatment with medications for opioid use disorder plus enhanced treatment services that meet the requirements of clause (6) and provide nine hours of clinical services each week;

(8) high, medium, and low intensity residential treatment services that are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable tribal license which provide, respectively, 30, 15, and five hours of clinical services each week;

(9) hospital-based treatment services that are licensed according to sections 245G.01 to 245G.17 or applicable tribal license and licensed as a hospital under sections 144.50 to 144.56;

(10) adolescent treatment programs that are licensed as outpatient treatment programs according to sections 245G.01 to 245G.18 or as residential treatment programs according to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430 to 2960.0490, or applicable tribal license;

(11) high-intensity residential treatment services that are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable tribal license, which provide 30 hours of clinical services each week provided by a state-operated vendor or to clients who have been civilly committed to the

commissioner, present the most complex and difficult care needs, and are a potential threat to the community; and

(12) room and board facilities that meet the requirements of subdivision 1a.

(c) The commissioner shall establish higher rates for programs that meet the requirements of paragraph (b) and one of the following additional requirements:

(1) programs that serve parents with their children if the program:

(i) provides on-site child care during the hours of treatment activity that:

(A) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter 9503;
or

~~(B) meets the licensure exclusion criteria of section 245A.03, subdivision 2, paragraph (a), clause (6), and meets the requirements~~ is licensed under section chapter 245A and sections 245G.01 to 245G.19, subdivision 4; or

(ii) arranges for off-site child care during hours of treatment activity at a facility that is licensed under chapter 245A as:

(A) a child care center under Minnesota Rules, chapter 9503; or

(B) a family child care home under Minnesota Rules, chapter 9502;

(2) culturally specific or culturally responsive programs as defined in section 254B.01, subdivision 4a;

(3) disability responsive programs as defined in section 254B.01, subdivision 4b;

(4) programs that offer medical services delivered by appropriately credentialed health care staff in an amount equal to two hours per client per week if the medical needs of the client and the nature and provision of any medical services provided are documented in the client file; or

(5) programs that offer services to individuals with co-occurring mental health and substance use disorder problems if:

(i) the program meets the co-occurring requirements in section 245G.20;

(ii) 25 percent of the counseling staff are licensed mental health professionals under section 245I.04, subdivision 2, or are students or licensing candidates under the supervision of a licensed alcohol and drug counselor supervisor and mental health professional under section 245I.04, subdivision 2, except that no more than 50 percent of the mental health staff may be students or licensing candidates with time documented to be directly related to provisions of co-occurring services;

(iii) clients scoring positive on a standardized mental health screen receive a mental health diagnostic assessment within ten days of admission;

(iv) the program has standards for multidisciplinary case review that include a monthly review for each client that, at a minimum, includes a licensed mental health professional and licensed alcohol and drug counselor, and their involvement in the review is documented;

(v) family education is offered that addresses mental health and substance use disorder and the interaction between the two; and

(vi) co-occurring counseling staff shall receive eight hours of co-occurring disorder training annually.

(d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program that provides arrangements for off-site child care must maintain current documentation at the substance use disorder facility of the child care provider's current licensure to provide child care services. ~~Programs that provide child care according to paragraph (c), clause (1), must be deemed in compliance with the licensing requirements in section 245G.19.~~

(e) Adolescent residential programs that meet the requirements of Minnesota Rules, parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements in paragraph (c), clause (4), items (i) to (iv).

(f) Subject to federal approval, substance use disorder services that are otherwise covered as direct face-to-face services may be provided via telehealth as defined in section 256B.0625, subdivision 3b. The use of telehealth to deliver services must be medically appropriate to the condition and needs of the person being served. Reimbursement shall be at the same rates and under the same conditions that would otherwise apply to direct face-to-face services.

(g) For the purpose of reimbursement under this section, substance use disorder treatment services provided in a group setting without a group participant maximum or maximum client to staff ratio under chapter 245G shall not exceed a client to staff ratio of 48 to one. At least one of the attending staff must meet the qualifications as established under this chapter for the type of treatment service provided. A recovery peer may not be included as part of the staff ratio.

(h) Payment for outpatient substance use disorder services that are licensed according to sections 245G.01 to 245G.17 is limited to six hours per day or 30 hours per week unless prior authorization of a greater number of hours is obtained from the commissioner.

Sec. 22. Minnesota Statutes 2022, section 256.01, is amended by adding a subdivision to read:

Subd. 12b. Department of Human Services systemic critical incident review team. (a) The commissioner may establish a Department of Human Services systemic critical incident review team to review critical incidents reported as required under section 626.557 for which the Department of Human Services is responsible under section 626.5572, subdivision 13; chapter 245D; or Minnesota Rules, chapter 9544. When reviewing a critical incident, the systemic critical incident review team shall identify systemic influences to the incident rather than determine the culpability of any actors involved in the incident. The systemic critical incident review may assess the entire critical incident process from the point of an entity reporting the critical incident through the ongoing case management process. Department staff shall lead and conduct the reviews and may utilize county staff as reviewers. The systemic critical incident review process may include but is not limited to:

(1) data collection about the incident and actors involved. Data may include the relevant critical services; the service provider's policies and procedures applicable to the incident; the community support plan as defined in section 245D.02, subdivision 4b, for the person receiving services; or an interview of an actor involved in the critical incident or the review of the critical incident. Actors may include:

(i) staff of the provider agency;

(ii) lead agency staff administering home and community-based services delivered by the provider;

(iii) Department of Human Services staff with oversight of home and community-based services;

(iv) Department of Health staff with oversight of home and community-based services;

(v) members of the community including advocates, legal representatives, health care providers, pharmacy staff, or others with knowledge of the incident or the actors in the incident; and

(vi) staff from the Office of the Ombudsman for Mental Health and Developmental Disabilities and the Office of the Ombudsman for Long-Term Care;

(2) systemic mapping of the critical incident. The team conducting the systemic mapping of the incident may include any actors identified in clause (1), designated representatives of other provider agencies, regional teams, and representatives of the local regional quality council identified in section 256B.097; and

(3) analysis of the case for systemic influences.

Data collected by the critical incident review team shall be aggregated and provided to regional teams, participating regional quality councils, and the commissioner. The regional teams and quality councils shall analyze the data and make recommendations to the commissioner regarding systemic changes that would decrease the number and severity of critical incidents in the future or improve the quality of the home and community-based service system.

(b) Cases selected for the systemic critical incident review process shall be selected by a selection committee among the following critical incident categories:

(1) cases of caregiver neglect identified in section 626.5572, subdivision 17;

(2) cases involving financial exploitation identified in section 626.5572, subdivision 9;

(3) incidents identified in section 245D.02, subdivision 11;

(4) behavior interventions identified in Minnesota Rules, part 9544.0110; and

(5) service terminations reported to the department in accordance with section 245D.10, subdivision 3a.

(c) The systemic critical incident review under this section shall not replace the process for screening or investigating cases of alleged maltreatment of an adult under section 626.557. The

department may select cases for systemic critical incident review, under the jurisdiction of the commissioner, reported for suspected maltreatment and closed following initial or final disposition.

(d) The proceedings and records of the review team are confidential data on individuals or protected nonpublic data as defined in section 13.02, subdivisions 3 and 13. Data that document a person's opinions formed as a result of the review are not subject to discovery or introduction into evidence in a civil or criminal action against a professional, the state, or a county agency arising out of the matters that the team is reviewing. Information, documents, and records otherwise available from other sources are not immune from discovery or use in a civil or criminal action solely because the information, documents, and records were assessed or presented during proceedings of the review team. A person who presented information before the systemic critical incident review team or who is a member of the team shall not be prevented from testifying about matters within the person's knowledge. In a civil or criminal proceeding, a person shall not be questioned about opinions formed by the person as a result of the review.

(e) By October 1 of each year, the commissioner shall prepare an annual public report containing the following information:

(1) the number of cases reviewed under each critical incident category identified in paragraph (b) and a geographical description of where cases under each category originated;

(2) an aggregate summary of the systemic themes from the critical incidents examined by the critical incident review team during the previous year;

(3) a synopsis of the conclusions, incident analyses, or exploratory activities taken in regard to the critical incidents examined by the critical incident review team; and

(4) recommendations made to the commissioner regarding systemic changes that could decrease the number and severity of critical incidents in the future or improve the quality of the home and community-based service system.

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

Sec. 23. Minnesota Statutes 2022, section 256B.0659, is amended by adding a subdivision to read:

Subd. 14a. Qualified professional; remote supervision. (a) For recipients with chronic health conditions or severely compromised immune systems, a qualified professional may conduct the supervision required under subdivision 14 via two-way interactive audio and visual telecommunications if, at the recipient's request, the recipient's primary health care provider:

(1) determines that remote supervision is appropriate; and

(2) documents the determination under clause (1) in a statement of need or other document that is subsequently included in the recipient's personal care assistance care plan.

(b) Notwithstanding any other provision of law, a care plan developed or amended via remote supervision may be executed by electronic signature.

(c) A personal care assistance provider agency must not conduct the first supervisory visit for a recipient and complete the initial personal care assistance care plan via a remote visit.

(d) A recipient may request to return to in-person supervisory visits at any time.

EFFECTIVE DATE. This section is effective July 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 24. Minnesota Statutes 2022, section 256B.0911, subdivision 23, is amended to read:

Subd. 23. **MnCHOICES reassessments; option for alternative and self-directed waiver services.** (a) At the time of reassessment, the certified assessor shall assess a person receiving waiver residential supports and services and currently residing in a setting listed in clauses (1) to (5) to determine if the person would prefer to be served in a community-living setting as defined in section ~~256B.49, subdivision 23~~ 256B.492, subdivision 1, paragraph (b), or in a setting not controlled by a provider, or to receive integrated community supports as described in section 245D.03, subdivision 1, paragraph (c), clause (8). The certified assessor shall offer the person through a person-centered planning process the option to receive alternative housing and service options. This paragraph applies to those currently residing in a:

(1) community residential setting;

(2) licensed adult foster care home that is either not the primary residence of the license holder or in which the license holder is not the primary caregiver;

(3) family adult foster care residence;

(4) customized living setting; or

(5) supervised living facility.

(b) At the time of reassessment, the certified assessor shall assess each person receiving waiver day services to determine if that person would prefer to receive employment services as described in section 245D.03, subdivision 1, paragraph (c), clauses (5) to (7). The certified assessor shall describe to the person through a person-centered planning process the option to receive employment services.

(c) At the time of reassessment, the certified assessor shall assess each person receiving non-self-directed waiver services to determine if that person would prefer an available service and setting option that would permit self-directed services and supports. The certified assessor shall describe to the person through a person-centered planning process the option to receive self-directed services and supports.

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

Sec. 25. Minnesota Statutes 2022, section 256B.092, subdivision 10, is amended to read:

Subd. 10. **Admission of persons to and discharge of persons from regional treatment centers.**

(a) Prior to the admission of a person to a regional treatment center program for persons with developmental disabilities, the case manager shall make efforts to secure community-based alternatives. If these alternatives are rejected by the person, the person's legal guardian or conservator, or the county agency in favor of a regional treatment center placement, the case manager shall document the reasons why the alternatives were rejected.

~~(b) When discharge of a person from a regional treatment center to a community-based service is proposed, the case manager shall convene the screening team and in addition to members of the team identified in subdivision 7, the case manager shall invite to the meeting the person's parents and near relatives, and the ombudsman established under section 245.92 if the person is under public guardianship. The meeting shall be convened at a time and place that allows for participation of all team members and invited individuals who choose to attend. The notice of the meeting shall inform the person's parents and near relatives about the screening team process, and their right to request a review if they object to the discharge, and shall provide the names and functions of advocacy organizations, and information relating to assistance available to individuals interested in establishing private guardianships under the provisions of section 252A.03. The screening team meeting shall be conducted according to subdivisions 7 and 8. Discharge of the person shall not go forward without consensus of the screening team.~~

~~(c) The results of the screening team meeting and individual service plan developed according to subdivision 1b shall be used by the interdisciplinary team assembled in accordance with Code of Federal Regulations, title 42, section 483.440, to evaluate and make recommended modifications to the individual service plan as proposed. The individual service plan shall specify postplacement monitoring to be done by the case manager according to section 253B.15, subdivision 1a.~~

~~(d) Notice of the meeting of the interdisciplinary team assembled in accordance with Code of Federal Regulations, title 42, section 483.440, shall be sent to all team members 15 days prior to the meeting, along with a copy of the proposed individual service plan. The case manager shall request that proposed providers visit the person and observe the person's program at the regional treatment center prior to the discharge. Whenever possible, preplacement visits by the person to proposed service sites should also be scheduled in advance of the meeting. Members of the interdisciplinary team assembled for the purpose of discharge planning shall include but not be limited to the case manager, the person, the person's legal guardian or conservator, parents and near relatives, the person's advocate, representatives of proposed community service providers, representatives of the regional treatment center residential and training and habilitation services, a registered nurse if the person has overriding medical needs that impact the delivery of services, and a qualified developmental disability professional specializing in behavior management if the person to be discharged has behaviors that may result in injury to self or others. The case manager may also invite other service providers who have expertise in an area related to specific service needs of the person to be discharged.~~

~~(e) The interdisciplinary team shall review the proposed plan to assure that it identifies service needs, availability of services, including support services, and the proposed providers' abilities to meet the service needs identified in the person's individual service plan. The interdisciplinary team shall review the most recent licensing reports of the proposed providers and corrective action taken by the proposed provider, if required. The interdisciplinary team shall review the current individual program plans for the person and agree to an interim individual program plan to be followed for the~~

~~first 30 days in the person's new living arrangement. The interdisciplinary team may suggest revisions to the service plan, and all team suggestions shall be documented. If the person is to be discharged to a community intermediate care facility for persons with developmental disabilities, the team shall give preference to facilities with a licensed capacity of 15 or fewer beds. Thirty days prior to the date of discharge, the case manager shall send a final copy of the service plan to all invited members of the team, the ombudsman, if the person is under public guardianship, and the advocacy system established under United States Code, title 42, section 6042.~~

(b) Assessment and support planning must be completed in accordance with requirements identified in section 256B.0911.

~~(c) No discharge shall take place until disputes are resolved under section 256.045, subdivision 4a, or until a review by the commissioner is completed upon request of the chief executive officer or program director of the regional treatment center, or the county agency. For persons under public guardianship, the ombudsman may request a review or hearing under section 256.045. Notification schedules required under this subdivision may be waived by members of the team when judged urgent and with agreement of the parents or near relatives participating as members of the interdisciplinary team.~~

Sec. 26. Minnesota Statutes 2022, section 256B.093, subdivision 1, is amended to read:

Subdivision 1. **State traumatic brain injury program.** (a) The commissioner of human services shall:

- (1) maintain a statewide traumatic brain injury program;
- (2) supervise and coordinate services and policies for persons with traumatic brain injuries;
- (3) contract with qualified agencies or employ staff to provide statewide administrative case management and consultation;
- (4) maintain an advisory committee to provide recommendations in reports to the commissioner regarding program and service needs of persons with brain injuries;
- (5) investigate the need for the development of rules or statutes for the brain injury home and community-based services waiver; and
- (6) investigate present and potential models of service coordination which can be delivered at the local level.

(b) The advisory committee required by paragraph (a), clause (4), must consist of no fewer than ten members and no more than 30 members. The commissioner shall appoint all advisory committee members to one- or two-year terms and appoint one member as chair. ~~The advisory committee expires on June 30, 2023.~~

Sec. 27. Minnesota Statutes 2022, section 256B.439, is amended by adding a subdivision to read:

Subd. 2b. **Demographic information for home and community-based services quality profiles.** For purposes of including in the home and community-based services quality profiles

relevant information for consumers on the populations served by providers and for other data analysis, the commissioner may request from providers the following summary data about clients served by the provider: (1) age; (2) race; (3) ethnicity; and (4) gender identity. For the purposes of this subdivision, summary data has the meaning given in section 13.02, subdivision 19. Providers must furnish the summary data only if the data on individuals is available to the provider. A provider is not required to collect any demographic data from clients for the sole purpose of providing the information requested by the commissioner under this subdivision. If a provider furnishes the requested summary data to the commissioner, the provider must provide notice to clients and associated key representatives that the client's demographic information was included in the summary data provided to the commissioner.

Sec. 28. Minnesota Statutes 2022, section 256B.439, subdivision 3d, is amended to read:

Subd. 3d. **Resident experience survey and family survey for assisted living facilities.** The commissioner shall develop and administer a resident experience survey for assisted living facility residents and a family survey for families of assisted living facility residents. Money appropriated to the commissioner to administer the resident experience survey and family survey is available in either fiscal year of the biennium in which it is appropriated. Assisted living facilities licensed under chapter 144G must participate in the surveys when the commissioner requests their participation.

Sec. 29. Minnesota Statutes 2022, section 256B.492, is amended to read:

256B.492 HOME AND COMMUNITY-BASED SETTINGS FOR PEOPLE WITH DISABILITIES.

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

(b) "Community-living setting" means a single-family home or multifamily dwelling unit where a service recipient or a service recipient's family owns or rents and maintains control over the individual unit as demonstrated by a lease agreement. Community-living setting does not include a home or dwelling unit that the service provider owns, operates, or leases or in which the service provider has a direct or indirect financial interest.

(c) "Controlling individual" has the meaning given in section 245A.02, subdivision 5a.

(d) "License holder" has the meaning given in section 245A.02, subdivision 9.

Subd. 2. **Home and community-based waiver settings.** (a) Individuals receiving services under a home and community-based waiver under section 256B.092 or 256B.49 may receive services in the following settings:

(1) home and community-based settings that comply with all requirements identified by the federal Centers for Medicare and Medicaid Services in the Code of Federal Regulations, title 42, section 441.301(c), and with the requirements of the federally approved transition plan and waiver plans for each home and community-based services waiver; and

(2) settings required by the Housing Opportunities for Persons with AIDS Program.

(b) The settings in paragraph (a) must not have the qualities of an institution which include, but are not limited to: regimented meal and sleep times, limitations on visitors, and lack of privacy. Restrictions agreed to and documented in the person's individual service plan shall not result in a residence having the qualities of an institution as long as the restrictions for the person are not imposed upon others in the same residence and are the least restrictive alternative, imposed for the shortest possible time to meet the person's needs.

Subd. 3. Community-living settings. (a) Individuals receiving services under a home and community-based waiver under section 256B.092 or 256B.49 may receive services in community-living settings. Community-living settings must meet the requirements of subdivision 2, paragraph (a), clause (1).

(b) For the purposes of this section, direct financial interest exists if payment passes between the license holder or any controlling individual of a licensed program and the service recipient or an entity acting on the service recipient's behalf for the purpose of obtaining or maintaining a dwelling. For the purposes of this section, indirect financial interest exists if the license holder or any controlling individual of a licensed program has an ownership or investment interest in the entity that owns, operates, leases, or otherwise receives payment from the service recipient or an entity acting on the service recipient's behalf for the purpose of obtaining or maintaining a dwelling.

(c) To ensure a service recipient or the service recipient's family maintains control over the home or dwelling unit, community-living settings are subject to the following requirements:

- (1) service recipients must not be required to receive services or share services;
- (2) service recipients must not be required to have a disability or specific diagnosis to live in the community-living setting;
- (3) service recipients may hire service providers of their choice;
- (4) service recipients may choose whether to share their household and with whom;
- (5) the home or multifamily dwelling unit must include living, sleeping, bathing, and cooking areas;
- (6) service recipients must have lockable access and egress;
- (7) service recipients must be free to receive visitors and leave the settings at times and for durations of their own choosing;
- (8) leases must comply with chapter 504B;
- (9) landlords must not charge different rents to tenants who are receiving home and community-based services; and
- (10) access to the greater community must be easily facilitated based on the service recipient's needs and preferences.

(d) Nothing in this section prohibits a service recipient from having another person or entity not affiliated with the service provider cosign a lease. Nothing in this section prohibits a service recipient,

during any period in which a service provider has cosigned the service recipient's lease, from modifying services with an existing cosigning service provider and, subject to the approval of the landlord, maintaining a lease cosigned by the service provider. Nothing in this section prohibits a service recipient, during any period in which a service provider has cosigned the service recipient's lease, from terminating services with the cosigning service provider, receiving services from a new service provider, or, subject to the approval of the landlord, maintaining a lease cosigned by the new service provider.

(e) A lease cosigned by a service provider meets the requirements of paragraph (b) if the service recipient and service provider develop and implement a transition plan which must provide that, within two years of cosigning the initial lease, the service provider shall transfer the lease to the service recipient and other cosigners, if any.

(f) In the event the landlord has not approved the transfer of the lease within two years of the service provider cosigning the initial lease, the service provider must submit a time-limited extension request to the commissioner of human services to continue the cosigned lease arrangement. The extension request must include:

(1) the reason the landlord denied the transfer;

(2) the plan to overcome the denial to transfer the lease;

(3) the length of time needed to successfully transfer the lease, not to exceed an additional two years;

(4) a description of how the transition plan was followed, what occurred that led to the landlord denying the transfer, and what changes in circumstances or condition, if any, the service recipient experienced; and

(5) a revised transition plan to transfer the cosigned lease between the service provider and the service recipient to the service recipient.

(g) The commissioner must approve an extension under paragraph (f) within sufficient time to ensure the continued occupancy by the service recipient.

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

Sec. 30. Minnesota Statutes 2022, section 256B.493, subdivision 2a, is amended to read:

Subd. 2a. **Closure process.** (a) The commissioner shall work with stakeholders to establish a process for the application, review, approval, and implementation of setting closures. Voluntary proposals from license holders for consolidation and closure of adult foster care or community residential settings are encouraged. Whether voluntary or involuntary, all closure plans must include:

(1) a description of the proposed closure plan, identifying the home or homes and occupied beds;

(2) the proposed timetable for the proposed closure, including the proposed dates for notification to people living there and the affected lead agencies, commencement of closure, and completion of closure;

(3) the proposed relocation plan jointly developed by the counties of financial responsibility, the people living there and their legal representatives, if any, who wish to continue to receive services from the provider, and the providers for current residents of any adult foster care home designated for closure; and

(4) documentation from the provider in a format approved by the commissioner that all the adult foster care homes or community residential settings receiving a planned closure rate adjustment under the plan have accepted joint and severable for recovery of overpayments under section 256B.0641, subdivision 2, for the facilities designated for closure under this plan.

(b) The commissioner shall give first priority to closure plans which:

(1) target counties and geographic areas which have:

(i) need for other types of services;

(ii) need for specialized services;

(iii) higher than average per capita use of licensed corporate foster care or community residential settings; or

(iv) residents not living in the geographic area of their choice;

(2) demonstrate savings of medical assistance expenditures; and

(3) demonstrate that alternative services are based on the recipient's choice of provider and are consistent with federal law, state law, and federally approved waiver plans.

The commissioner shall also consider any information provided by people using services, their legal representatives, family members, or the lead agency on the impact of the planned closure on people and the services they need.

~~(c) For each closure plan approved by the commissioner, a contract must be established between the commissioner, the counties of financial responsibility, and the participating license holder.~~

Sec. 31. Minnesota Statutes 2022, section 256B.493, subdivision 4, is amended to read:

Subd. 4. **Review and approval process.** (a) To be considered for approval, an application must include:

(1) a description of the proposed closure plan, which must identify the home or homes and occupied beds for which a planned closure rate adjustment is requested;

(2) the proposed timetable for any proposed closure, including the proposed dates for notification to residents and the affected lead agencies, commencement of closure, and completion of closure;

(3) the proposed relocation plan jointly developed by the counties of financial responsibility, the residents and their legal representatives, if any, who wish to continue to receive services from the provider, and the providers for current residents of any adult foster care home designated for closure; and

(4) documentation in a format approved by the commissioner that all the adult foster care homes receiving a planned closure rate adjustment under the plan have accepted joint and several liability for recovery of overpayments under section 256B.0641, subdivision 2, for the facilities designated for closure under this plan.

(b) In reviewing and approving closure proposals, the commissioner shall give first priority to proposals that:

(1) target counties and geographic areas which have:

(i) need for other types of services;

(ii) need for specialized services;

(iii) higher than average per capita use of foster care settings where the license holder does not reside; or

(iv) residents not living in the geographic area of their choice;

(2) demonstrate savings of medical assistance expenditures; and

(3) demonstrate that alternative services are based on the recipient's choice of provider and are consistent with federal law, state law, and federally approved waiver plans.

The commissioner shall also consider any information provided by service recipients, their legal representatives, family members, or the lead agency on the impact of the planned closure on the recipients and the services they need.

(c) The commissioner shall select proposals that best meet the criteria established in this subdivision for planned closure of adult foster care settings. The commissioner shall notify license holders of the selections approved by the commissioner.

~~(d) For each proposal approved by the commissioner, a contract must be established between the commissioner, the counties of financial responsibility, and the participating license holder.~~

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

Sec. 32. Minnesota Statutes 2022, section 256S.202, subdivision 1, is amended to read:

Subdivision 1. **Customized living monthly service rate limits.** (a) Except for a participant assigned to case mix classification L, as described in section 256S.18, subdivision 1, paragraph (b), the customized living monthly service rate limit shall not exceed 50 percent of the monthly case mix budget cap, ~~less the maintenance needs allowance~~, adjusted at least annually in the manner described under section 256S.18, subdivisions 5 and 6.

(b) The customized living monthly service rate limit for participants assigned to case mix classification L must be the monthly service rate limit for participants assigned to case mix classification A, reduced by 25 percent.

Sec. 33. Minnesota Statutes 2022, section 524.5-104, is amended to read:

524.5-104 FACILITY OF TRANSFER.

(a) A person who may transfer money or personal property to a minor may do so, as to an amount or value not exceeding the amount allowable as a tax exclusion gift under section 2503(b) of the Internal Revenue Code or a different amount that is approved by the court, by transferring it to:

(1) a person who has the care and custody of the minor and with whom the minor resides;

(2) a guardian of the minor;

(3) a custodian under the Uniform Transfers To Minors Act or custodial trustee under the Uniform Custodial Trust Act;

(4) a financial institution as a deposit in an interest-bearing account or certificate in the sole name of the minor and giving notice of the deposit to the minor; or

(5) an ABLE account. A guardian only has the authority to establish an ABLE account. The guardian may not administer the ABLE account in the guardian's capacity as guardian. The guardian may appoint or name a person to exercise signature authority over an ABLE account, including the individual selected by the eligible individual or the eligible individual's agent under a power of attorney, conservator, spouse, parent, sibling, grandparent, or representative payee, whether an individual or organization, appointed by the Social Security Administration, in that order.

(b) This section does not apply if the person making payment or delivery knows that a conservator has been appointed or that a proceeding for appointment of a conservator of the minor is pending.

(c) A person who transfers money or property in compliance with this section is not responsible for its proper application.

(d) A guardian or other person who receives money or property for a minor under paragraph (a), clause (1) or (2), may only apply it to the support, care, education, health, and welfare of the minor, and may not derive a personal financial benefit except for reimbursement for necessary expenses. Any excess must be preserved for the future support, care, education, health, and welfare of the minor and any balance must be transferred to the minor upon emancipation or attaining majority.

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

Sec. 34. Minnesota Statutes 2022, section 524.5-313, is amended to read:

524.5-313 POWERS AND DUTIES OF GUARDIAN.

(a) A guardian shall be subject to the control and direction of the court at all times and in all things.

(b) The court shall grant to a guardian only those powers necessary to provide for the demonstrated needs of the person subject to guardianship.

(c) The court may appoint a guardian if it determines that all the powers and duties listed in this section are needed to provide for the needs of the incapacitated person. The court may also appoint a guardian if it determines that a guardian is needed to provide for the needs of the incapacitated person through the exercise of some, but not all, of the powers and duties listed in this section. The duties and powers of a guardian or those which the court may grant to a guardian include, but are not limited to:

(1) the power to have custody of the person subject to guardianship and the power to establish a place of abode within or outside the state, except as otherwise provided in this clause. The person subject to guardianship or any interested person may petition the court to prevent or to initiate a change in abode. A person subject to guardianship may not be admitted to a regional treatment center by the guardian except:

(i) after a hearing under chapter 253B;

(ii) for outpatient services; or

(iii) for the purpose of receiving temporary care for a specific period of time not to exceed 90 days in any calendar year;

(2) the duty to provide for the care, comfort, and maintenance needs of the person subject to guardianship, including food, clothing, shelter, health care, social and recreational requirements, and, whenever appropriate, training, education, and habilitation or rehabilitation. The guardian has no duty to pay for these requirements out of personal funds. Whenever possible and appropriate, the guardian should meet these requirements through governmental benefits or services to which the person subject to guardianship is entitled, rather than from the estate of the person subject to guardianship. Failure to satisfy the needs and requirements of this clause shall be grounds for removal of a private guardian, but the guardian shall have no personal or monetary liability;

(3) the duty to take reasonable care of the clothing, furniture, vehicles, and other personal effects of the person subject to guardianship, and, if other property requires protection, the power to seek appointment of a conservator of the estate. The guardian must give notice by mail to interested persons prior to the disposition of the clothing, furniture, vehicles, or other personal effects of the person subject to guardianship. The notice must inform the person of the right to object to the disposition of the property within ten days of the date of mailing and to petition the court for a review of the guardian's proposed actions. Notice of the objection must be served by mail or personal service on the guardian and the person subject to guardianship unless the person subject to guardianship is the objector. The guardian served with notice of an objection to the disposition of the property may not dispose of the property unless the court approves the disposition after a hearing;

(4)(i) the power to give any necessary consent to enable the person subject to guardianship to receive necessary medical or other professional care, counsel, treatment, or service, except that no guardian may give consent for psychosurgery, electroshock, sterilization, or experimental treatment of any kind unless the procedure is first approved by order of the court as provided in this clause. The guardian shall not consent to any medical care for the person subject to guardianship which violates the known conscientious, religious, or moral belief of the person subject to guardianship;

(ii) a guardian who believes a procedure described in item (i) requiring prior court approval to be necessary for the proper care of the person subject to guardianship, shall petition the court for an order and, in the case of a public guardianship under chapter 252A, obtain the written recommendation of the commissioner of human services. The court shall fix the time and place for the hearing and shall give notice to the person subject to guardianship in such manner as specified in section 524.5-308 and to interested persons. The court shall appoint an attorney to represent the person subject to guardianship who is not represented by counsel, provided that such appointment shall expire upon the expiration of the appeal time for the order issued by the court under this section or the order dismissing a petition, or upon such other time or event as the court may direct. In every case the court shall determine if the procedure is in the best interest of the person subject to guardianship. In making its determination, the court shall consider a written medical report which specifically considers the medical risks of the procedure, whether alternative, less restrictive methods of treatment could be used to protect the best interest of the person subject to guardianship, and any recommendation of the commissioner of human services for a public person subject to guardianship. The standard of proof is that of clear and convincing evidence;

(iii) in the case of a petition for sterilization of a person with developmental disabilities subject to guardianship, the court shall appoint a licensed physician, a psychologist who is qualified in the diagnosis and treatment of developmental disability, and a social worker who is familiar with the social history and adjustment of the person subject to guardianship or the case manager for the person subject to guardianship to examine or evaluate the person subject to guardianship and to provide written reports to the court. The reports shall indicate why sterilization is being proposed, whether sterilization is necessary and is the least intrusive method for alleviating the problem presented, and whether it is in the best interest of the person subject to guardianship. The medical report shall specifically consider the medical risks of sterilization, the consequences of not performing the sterilization, and whether alternative methods of contraception could be used to protect the best interest of the person subject to guardianship;

(iv) any person subject to guardianship whose right to consent to a sterilization has not been restricted under this section or section 252A.101 may be sterilized only if the person subject to guardianship consents in writing or there is a sworn acknowledgment by an interested person of a nonwritten consent by the person subject to guardianship. The consent must certify that the person subject to guardianship has received a full explanation from a physician or registered nurse of the nature and irreversible consequences of the sterilization;

(v) a guardian or the public guardian's designee who acts within the scope of authority conferred by letters of guardianship under section 252A.101, subdivision 7, and according to the standards established in this chapter or in chapter 252A shall not be civilly or criminally liable for the provision of any necessary medical care, including, but not limited to, the administration of psychotropic medication or the implementation of aversive and deprivation procedures to which the guardian or the public guardian's designee has consented;

(5) in the event there is no duly appointed conservator of the estate of the person subject to guardianship, the guardian shall have the power to approve or withhold approval of any contract, except for necessities, which the person subject to guardianship may make or wish to make;

(6) the duty and power to exercise supervisory authority over the person subject to guardianship in a manner which limits civil rights and restricts personal freedom only to the extent necessary to

provide needed care and services. A guardian may not restrict the ability of the person subject to guardianship to communicate, visit, or interact with others, including receiving visitors or making or receiving telephone calls, personal mail, or electronic communications including through social media, or participating in social activities, unless the guardian has good cause to believe restriction is necessary because interaction with the person poses a risk of significant physical, psychological, or financial harm to the person subject to guardianship, and there is no other means to avoid such significant harm. In all cases, the guardian shall provide written notice of the restrictions imposed to the court, to the person subject to guardianship, and to the person subject to restrictions. The person subject to guardianship or the person subject to restrictions may petition the court to remove or modify the restrictions;

(7) if there is no acting conservator of the estate for the person subject to guardianship, the guardian has the power to apply on behalf of the person subject to guardianship for any assistance, services, or benefits available to the person subject to guardianship through any unit of government;

(8) unless otherwise ordered by the court, the person subject to guardianship retains the right to vote;

(9) the power to establish an ABLE account for a person subject to guardianship or conservatorship. By this provision a guardian only has the authority to establish an ABLE account, but may not administer the ABLE account in the guardian's capacity as guardian. The guardian may appoint or name a person to exercise signature authority over an ABLE account, including the individual selected by the eligible individual or the eligible individual's agent under a power of attorney; conservator; spouse; parent; sibling; grandparent; or representative payee, whether an individual or organization, appointed by the SSA, in that order; and

(10) if there is no conservator appointed for the person subject to guardianship, the guardian has the duty and power to institute suit on behalf of the person subject to guardianship and represent the person subject to guardianship in expungement proceedings, harassment proceedings, and all civil court proceedings, including but not limited to restraining orders, orders for protection, name changes, conciliation court, housing court, family court, probate court, and juvenile court, provided that a guardian may not settle or compromise any claim or debt owed to the estate without court approval.

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

Sec. 35. Laws 2021, First Special Session chapter 7, article 2, section 17, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective July 1, 2021, except ~~subdivision 6, paragraph (b), is effective upon federal approval and~~ subdivision 15 is effective the day following final enactment. ~~The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.~~

Sec. 36. Laws 2021, First Special Session chapter 7, article 6, section 12, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective July 1, 2021, ~~or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.~~

Sec. 37. Laws 2021, First Special Session chapter 7, article 11, section 18, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective July 1, 2021, ~~or upon federal approval, whichever is later,~~ except paragraph (f) is effective the day following final enactment. ~~The commissioner shall notify the revisor of statutes when federal approval is obtained.~~

Sec. 38. Laws 2021, First Special Session chapter 7, article 13, section 43, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective January 1, 2022, ~~or upon federal approval, whichever is later, except the fifth sentence in paragraph (d) is effective January 1, 2022. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.~~

Sec. 39. Laws 2022, chapter 98, article 4, section 37, the effective date, is amended to read:

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.~~

Sec. 40. **DIRECTION TO COMMISSIONER; BRAIN INJURY AND COMMUNITY ACCESS FOR DISABILITY INCLUSION WAIVER CUSTOMIZED LIVING SERVICES PROVIDERS LOCATED IN HENNEPIN AND ITASCA COUNTIES.**

The commissioner of human services shall determine the brain injury (BI) or community access for disability inclusion (CADI) waiver customized living and 24-hour customized living size limitation exception applies to:

(1) two United States Department of Housing and Urban Development-subsidized housing settings created on September 29, 1980, that are located in the city of Minneapolis, provide customized living and 24-hour customized living services for clients enrolled in the BI and CADI waiver, and had a capacity to service six clients in the setting as of July 1, 2022; and

(2) one United States Department of Housing and Urban Development-subsidized housing setting created on April 15, 1991, that is located in the city of Grand Rapids, provides customized living and 24-hour customized living services for clients enrolled in the BI and CADI waiver, and had a capacity to service eight clients in the setting as of July 1, 2022.

Sec. 41. **REPEALER.**

Minnesota Statutes 2022, sections 254B.13, subdivisions 1, 2, 2a, 4, 5, 6, 7, and 8; 254B.16; 256.041, subdivision 10; 256B.49, subdivision 23; and 260.835, subdivision 2, are repealed.

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

ARTICLE 4**MISCELLANEOUS**

Section 1. Minnesota Statutes 2022, section 148F.01, is amended by adding a subdivision to read:

Subd. 14a. **Former student.** "Former student" means an individual who has completed the educational requirements under section 148F.025, subdivision 2, or 148F.035, paragraph (a).

Sec. 2. Minnesota Statutes 2022, section 148F.11, is amended by adding a subdivision to read:

Subd. 2a. **Former students.** (a) A former student may practice alcohol and drug counseling for 90 days from the former student's degree conferral date from an accredited school or educational program or from the last date the former student received credit for an alcohol and drug counseling course from an accredited school or educational program. The former student's practice must be supervised by an alcohol and drug counselor or an alcohol and drug counselor supervisor, as defined in section 245G.11. The former student's practice is limited to the site where the student completed their internship or practicum. A former student must be paid for work performed during the 90-day period.

(b) The former student's right to practice automatically expires after 90 days from the former student's degree conferral date or date of last course credit for an alcohol and drug counseling course, whichever occurs last.

Sec. 3. Minnesota Statutes 2022, section 245.50, subdivision 5, is amended to read:

Subd. 5. Special contracts; bordering states. (a) An individual who is detained, committed, or placed on an involuntary basis under chapter 253B may be confined or treated in a bordering state pursuant to a contract under this section. An individual who is detained, committed, or placed on an involuntary basis under the civil law of a bordering state may be confined or treated in Minnesota pursuant to a contract under this section. A peace or health officer who is acting under the authority of the sending state may transport an individual to a receiving agency that provides services pursuant to a contract under this section and may transport the individual back to the sending state under the laws of the sending state. Court orders valid under the law of the sending state are granted recognition and reciprocity in the receiving state for individuals covered by a contract under this section to the extent that the court orders relate to confinement for treatment or care of mental illness, chemical dependency, or detoxification. Such treatment or care may address other conditions that may be co-occurring with the mental illness or chemical dependency. These court orders are not subject to legal challenge in the courts of the receiving state. Individuals who are detained, committed, or placed under the law of a sending state and who are transferred to a receiving state under this section continue to be in the legal custody of the authority responsible for them under the law of the sending state. Except in emergencies, those individuals may not be transferred, removed, or furloughed from a receiving agency without the specific approval of the authority responsible for them under the law of the sending state.

(b) While in the receiving state pursuant to a contract under this section, an individual shall be subject to the sending state's laws and rules relating to length of confinement, reexaminations, and extensions of confinement. No individual may be sent to another state pursuant to a contract under

this section until the receiving state has enacted a law recognizing the validity and applicability of this section.

(c) If an individual receiving services pursuant to a contract under this section leaves the receiving agency without permission and the individual is subject to involuntary confinement under the law of the sending state, the receiving agency shall use all reasonable means to return the individual to the receiving agency. The receiving agency shall immediately report the absence to the sending agency. The receiving state has the primary responsibility for, and the authority to direct, the return of these individuals within its borders and is liable for the cost of the action to the extent that it would be liable for costs of its own resident.

(d) Responsibility for payment for the cost of care remains with the sending agency.

(e) This subdivision also applies to county contracts under subdivision 2 which include emergency care and treatment provided to a county resident in a bordering state.

(f) If a Minnesota resident is admitted to a facility in a bordering state under this chapter, ~~a physician, a licensed psychologist who has a doctoral degree in psychology, or an advanced practice registered nurse certified in mental health,~~ an individual who is licensed in the bordering state, may act as a court examiner under sections 253B.07, 253B.08, 253B.092, 253B.12, and 253B.17 subject to the same requirements and limitations in section 253B.02, subdivision 7 4d. An examiner under section 253B.02, subdivision 7, may initiate an emergency hold under section 253B.051 on a Minnesota resident who is in a hospital that is under contract with a Minnesota governmental entity under this section provided the resident, in the opinion of the examiner, meets the criteria in section 253B.051.

(g) This section shall apply to detoxification services that are unrelated to treatment whether the services are provided on a voluntary or involuntary basis.

Sec. 4. Minnesota Statutes 2022, section 245A.19, is amended to read:

245A.19 HIV TRAINING IN SUBSTANCE USE DISORDER TREATMENT PROGRAM.

(a) Applicants and license holders for substance use disorder residential and nonresidential programs must demonstrate compliance with HIV minimum standards ~~prior to~~ before their application ~~being~~ is complete. The HIV minimum standards contained in the HIV-1 Guidelines for substance use disorder treatment and care programs in Minnesota are not subject to rulemaking.

(b) ~~Ninety days after April 29, 1992,~~ The applicant or license holder shall orient all substance use disorder treatment staff and clients to the HIV minimum standards. Thereafter, orientation shall be provided to all staff and clients, within 72 hours of employment or admission to the program. In-service training shall be provided to all staff on at least an annual basis and the license holder shall maintain records of training and attendance.

(c) The license holder shall maintain a list of referral sources for the purpose of making necessary referrals of clients to HIV-related services. The list of referral services shall be updated at least annually.

(d) Written policies and procedures, consistent with HIV minimum standards, shall be developed and followed by the license holder. All policies and procedures concerning HIV minimum standards shall be approved by the commissioner. ~~The commissioner shall provide training on HIV minimum standards to applicants~~ must outline the content required in the annual staff training under paragraph (b).

(e) The commissioner may permit variances from the requirements in this section. License holders seeking variances must follow the procedures in section 245A.04, subdivision 9.

Sec. 5. Minnesota Statutes 2022, section 245F.04, subdivision 1, is amended to read:

Subdivision 1. **General application and license requirements.** An applicant for licensure as a clinically managed withdrawal management program or medically monitored withdrawal management program must meet the following requirements, except where otherwise noted. All programs must comply with federal requirements and the general requirements in sections 626.557 and 626.5572 and chapters 245A, 245C, and 260E. A withdrawal management program must be located in a hospital licensed under sections 144.50 to 144.581, or must be a supervised living facility with a class A or B license from the Department of Health under Minnesota Rules, parts 4665.0100 to 4665.9900.

Sec. 6. Minnesota Statutes 2022, section 245G.06, subdivision 2b, is amended to read:

Subd. 2b. **Client record documentation requirements.** (a) The license holder must document in the client record any significant event that occurs at the program ~~on the day~~ within 24 hours of the event occurs. A significant event is an event that impacts the client's relationship with other clients, staff, or the client's family, or the client's treatment plan.

(b) A residential treatment program must document in the client record the following items on the day that each occurs:

(1) medical and other appointments the client attended;

(2) concerns related to medications that are not documented in the medication administration record; and

(3) concerns related to attendance for treatment services, including the reason for any client absence from a treatment service.

(c) Each entry in a client's record must be accurate, legible, signed, dated, and include the job title or position of the staff person that made the entry. A late entry must be clearly labeled "late entry." A correction to an entry must be made in a way in which the original entry can still be read.

Sec. 7. Minnesota Statutes 2022, section 245G.22, subdivision 15, is amended to read:

Subd. 15. **Nonmedication treatment services; documentation.** (a) The program must offer at least 50 consecutive minutes of individual or group therapy treatment services as defined in section 245G.07, subdivision 1, paragraph (a), clause (1), per week, for the first ten weeks following the day of service initiation, and at least 50 consecutive minutes per month thereafter. As clinically appropriate, the program may offer these services cumulatively and not consecutively in increments

of no less than 15 minutes over the required time period, and for a total of 60 minutes of treatment services over the time period, and must document the reason for providing services cumulatively in the client's record. The program may offer additional levels of service when deemed clinically necessary.

(b) Notwithstanding the requirements of comprehensive assessments in section 245G.05, the assessment must be completed within 21 days from the day of service initiation.

(c) Notwithstanding the requirements of individual treatment plans set forth in section 245G.06:

(1) treatment plan contents for a maintenance client are not required to include goals the client must reach to complete treatment and have services terminated;

(2) treatment plans for a client in a taper or detox status must include goals the client must reach to complete treatment and have services terminated; and

(3) for the ten weeks following the day of service initiation for all new admissions, readmissions, and transfers, a weekly treatment plan review must be documented once the treatment plan is completed. Subsequently, the counselor must document treatment plan reviews in the six dimensions at least once ~~monthly~~ every three months or, when clinical need warrants, more frequently.

Sec. 8. Minnesota Statutes 2022, section 245G.22, subdivision 17, is amended to read:

Subd. 17. **Policies and procedures.** (a) A license holder must develop and maintain the policies and procedures required in this subdivision.

(b) For a program that is not open every day of the year, the license holder must maintain a policy and procedure that covers requirements under section 245G.22, subdivisions 6 and 7. Unsupervised use of medication used for the treatment of opioid use disorder for days that the program is closed for business, including but not limited to Sundays and state and federal holidays, must meet the requirements under section 245G.22, subdivisions 6 and 7.

(c) The license holder must maintain a policy and procedure that includes specific measures to reduce the possibility of diversion. The policy and procedure must:

(1) specifically identify and define the responsibilities of the medical and administrative staff for performing diversion control measures; and

(2) include a process for contacting no less than five percent of clients who have unsupervised use of medication, excluding clients approved solely under subdivision 6, paragraph (a), to require clients to physically return to the program each month. The system must require clients to return to the program within a stipulated time frame and turn in all unused medication containers related to opioid use disorder treatment. The license holder must document all related contacts on a central log and the outcome of the contact for each client in the client's record. The medical director must be informed of each outcome that results in a situation in which a possible diversion issue was identified.

(d) Medication used for the treatment of opioid use disorder must be ordered, administered, and dispensed according to applicable state and federal regulations and the standards set by applicable

accreditation entities. If a medication order requires assessment by the person administering or dispensing the medication to determine the amount to be administered or dispensed, the assessment must be completed by an individual whose professional scope of practice permits an assessment. For the purposes of enforcement of this paragraph, the commissioner has the authority to monitor the person administering or dispensing the medication for compliance with state and federal regulations and the relevant standards of the license holder's accreditation agency and may issue licensing actions according to sections 245A.05, 245A.06, and 245A.07, based on the commissioner's determination of noncompliance.

(e) A counselor in an opioid treatment program must supervise clients at a level sufficient to ensure that patients have reasonable and prompt access to the counselor and receive counseling services at the required frequency and intensity but must not supervise more than ~~50~~ 75 clients.

Sec. 9. Minnesota Statutes 2022, section 253B.10, subdivision 1, is amended to read:

Subdivision 1. **Administrative requirements.** (a) When a person is committed, the court shall issue a warrant or an order committing the patient to the custody of the head of the treatment facility, state-operated treatment program, or community-based treatment program. The warrant or order shall state that the patient meets the statutory criteria for civil commitment.

(b) The commissioner shall prioritize patients being admitted from jail or a correctional institution who are:

(1) ordered confined in a state-operated treatment program for an examination under Minnesota Rules of Criminal Procedure, rules 20.01, subdivision 4, paragraph (a), and 20.02, subdivision 2;

(2) under civil commitment for competency treatment and continuing supervision under Minnesota Rules of Criminal Procedure, rule 20.01, subdivision 7;

(3) found not guilty by reason of mental illness under Minnesota Rules of Criminal Procedure, rule 20.02, subdivision 8, and under civil commitment or are ordered to be detained in a state-operated treatment program pending completion of the civil commitment proceedings; or

(4) committed under this chapter to the commissioner after dismissal of the patient's criminal charges.

Patients described in this paragraph must be admitted to a state-operated treatment program within 48 hours of the filing of the warrant or order for commitment. The commitment must be ordered by the court as provided in section 253B.09, subdivision 1, paragraph (d).

(c) Upon the arrival of a patient at the designated treatment facility, state-operated treatment program, or community-based treatment program, the head of the facility or program shall retain the duplicate of the warrant and endorse receipt upon the original warrant or acknowledge receipt of the order. The endorsed receipt or acknowledgment must be filed in the court of commitment. After arrival, the patient shall be under the control and custody of the head of the facility or program.

(d) Copies of the petition for commitment, the court's findings of fact and conclusions of law, the court order committing the patient, the report of the court examiners, and the prepetition report, and any medical and behavioral information available shall be provided at the time of admission of

a patient to the designated treatment facility or program to which the patient is committed. Upon a patient's referral to the commissioner of human services for admission pursuant to subdivision 1, paragraph (b), any inpatient hospital, treatment facility, jail, or correctional facility that has provided care or supervision to the patient in the previous two years shall, when requested by the treatment facility or commissioner, provide copies of the patient's medical and behavioral records to the Department of Human Services for purposes of preadmission planning. This information shall be provided by the head of the treatment facility to treatment facility staff in a consistent and timely manner and pursuant to all applicable laws.

Sec. 10. **[325F.725] SOBER HOME TITLE PROTECTION.**

No person or entity may use the phrase "sober home," whether alone or in combination with other words and whether orally or in writing, to advertise, market, or otherwise describe, offer, or promote itself, or any housing, service, service package, or program that it provides within this state, unless the person or entity is a cooperative living residence, a room and board residence, an apartment, or any other living accommodation that provides temporary housing to persons with a substance use disorder, does not provide counseling or treatment services to residents, promotes sustained recovery from substance use disorders, and follows the sober living guidelines published by the federal Substance Abuse and Mental Health Services Administration.

Sec. 11. Laws 2021, First Special Session chapter 7, article 17, section 20, is amended to read:

Sec. 20. **HCBS WORKFORCE DEVELOPMENT GRANT.**

Subdivision 1. Appropriation. (a) This act includes \$0 in fiscal year 2022 and \$5,588,000 in fiscal year 2023 to address challenges related to attracting and maintaining direct care workers who provide home and community-based services for people with disabilities and older adults. The general fund base included in this act for this purpose is \$5,588,000 in fiscal year 2024 and \$0 in fiscal year 2025.

(b) At least 90 percent of funding for this provision must be directed to workers who earn ~~200~~ 300 percent or less of the most current federal poverty level issued by the United States Department of Health and Human Services.

(c) The commissioner must consult with stakeholders to finalize a report detailing the final plan for use of the funds. The commissioner must publish the report by March 1, 2022, and notify the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance.

Subd. 2. Public assistance eligibility. Notwithstanding any law to the contrary, workforce development grant money received under this section is not income, assets, or personal property for purposes of determining eligibility or recertifying eligibility for:

(1) child care assistance programs under Minnesota Statutes, chapter 119B;

(2) general assistance, Minnesota supplemental aid, and food support under Minnesota Statutes, chapter 256D;

(3) housing support under Minnesota Statutes, chapter 256I;

(4) Minnesota family investment program and diversionary work program under Minnesota Statutes, chapter 256J; and

(5) economic assistance programs under Minnesota Statutes, chapter 256P.

Subd. 3. **Medical assistance eligibility.** Notwithstanding any law to the contrary, workforce development grant money received under this section is not income or assets for the purposes of determining eligibility for medical assistance under Minnesota Statutes, section 256B.056, subdivision 1a, paragraph (a); 3; or 3c; or 256B.057, subdivision 3, 3a, or 3b."

Amend the title accordingly

Delete the title and insert:

"A bill for an act relating to human services; modifying and establishing laws regarding aging, disability, behavioral health, substance use disorder, and civil commitment; modifying eligibility for home and community-based services workforce development grants; amending Minnesota Statutes 2022, sections 62N.25, subdivision 5; 62Q.1055; 62Q.47; 144A.06, subdivision 2; 144A.071, subdivision 2; 144A.073, subdivision 3b; 144A.474, subdivisions 3, 9, 12; 144A.4791, subdivision 10; 148F.01, by adding a subdivision; 148F.11, by adding a subdivision; 169A.70, subdivisions 3, 4; 245.462, subdivisions 3, 12; 245.4711, subdivisions 3, 4; 245.477; 245.4835, subdivision 2; 245.4871, subdivisions 3, 19; 245.4873, subdivision 4; 245.4881, subdivisions 3, 4; 245.4885, subdivision 1; 245.4887; 245.50, subdivision 5; 245A.03, subdivision 7; 245A.043, subdivision 3; 245A.11, subdivision 7; 245A.16, subdivision 1; 245A.19; 245D.03, subdivision 1; 245F.04, subdivision 1; 245G.05, subdivision 2; 245G.06, subdivision 2b; 245G.22, subdivisions 2, 15, 17; 246.0135; 253B.10, subdivision 1; 254A.03, subdivision 3; 254A.035, subdivision 2; 254A.19, subdivisions 1, 3, 4, by adding subdivisions; 254B.01, subdivision 5, by adding subdivisions; 254B.03, subdivisions 1, 2, 5; 254B.04, subdivisions 1, 2a, by adding subdivisions; 254B.05, subdivisions 1a, 5; 256.01, by adding a subdivision; 256B.0659, by adding a subdivision; 256B.0911, subdivision 23; 256B.092, subdivision 10; 256B.093, subdivision 1; 256B.434, subdivision 4f; 256B.439, subdivision 3d, by adding a subdivision; 256B.492; 256B.493, subdivisions 2a, 4; 256D.09, subdivision 2a; 256L.03, subdivision 2; 256L.12, subdivision 8; 256S.202, subdivision 1; 260B.157, subdivisions 1, 3; 260C.157, subdivision 3; 260E.20, subdivision 1; 299A.299, subdivision 1; 524.5-104; 524.5-313; Laws 2021, First Special Session chapter 7, article 2, section 17; article 6, section 12; article 11, section 18; article 13, section 43; article 17, section 20; Laws 2022, chapter 98, article 4, section 37; proposing coding for new law in Minnesota Statutes, chapter 325F; repealing Minnesota Statutes 2022, sections 169A.70, subdivision 6; 245G.22, subdivision 19; 254A.02, subdivision 8a; 254A.16, subdivision 6; 254A.19, subdivisions 1a, 2, 5; 254B.04, subdivisions 2b, 2c; 254B.041, subdivision 2; 254B.13, subdivisions 1, 2, 2a, 4, 5, 6, 7, 8; 254B.16; 256.041, subdivision 10; 256B.49, subdivision 23; 260.835, subdivision 2; Minnesota Rules, parts 9530.7000, subparts 1, 2, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 17a, 19, 20, 21; 9530.7005; 9530.7010; 9530.7012; 9530.7015, subparts 1, 2a, 4, 5, 6; 9530.7020, subparts 1, 1a, 2; 9530.7021; 9530.7022, subpart 1; 9530.7025; 9530.7030, subpart 1."

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

Senator Klein from the Committee on Commerce and Consumer Protection, to which was re-referred

S.F. No. 2301: A bill for an act relating to energy; establishing the Minnesota Climate Innovation Finance Authority to provide financing and leverage private investment for clean energy and other projects; requiring a report; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 216C.

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

Page 3, after line 19, insert:

"(m) "Project labor agreement" means a prehire collective bargaining agreement with a council of building and construction trades labor organizations (1) prohibiting strikes, lockouts, and similar disruptions, and (2) providing for a binding procedure to resolve labor disputes on the project."

Page 3, line 20, delete "(m)" and insert "(n)"

Page 4, line 3, delete "(n)" and insert "(o)"

Page 4, line 6, delete "(o)" and insert "(p)"

Page 4, line 8, delete "(p)" and insert "(q)"

Page 4, line 23, after "acquire" insert "by purchase" and delete everything after "name"

Page 4, line 24, delete "or foreclosure,"

Page 5, line 16, before "investment" insert "lending and"

Page 6, line 10, delete the second "and"

Page 6, line 11, after "skills" insert "and qualifications"

Page 6, line 12, delete the period and insert ", making an affirmative effort to recruit and hire a director and staff who are from, or share the interests of, the communities the authority must serve;"

Page 6, after line 12, insert:

"(13) apply for, either as a direct or subgrantee applicant, and accept Greenhouse Gas Reduction Fund grants authorized by the federal Clean Air Act, United States Code, title 42, section 7434(a). If the application deadlines for these grants are earlier than is practical for the authority to meet, the commissioner shall apply on behalf of the authority. In all cases, applications for these funds by or on behalf of the authority must be coordinated with all known Minnesota applicants; and

(14) ensure that authority contracts with all third-party administrators, contractors, and subcontractors contain required covenants, representations, and warranties specifying that contracted third parties are agents of the authority and that all acts of contracted third parties are considered acts of the authority, provided that the act is within the contracted scope of work."

Page 6, line 18, after "investment" insert ", co-lending,"

Page 6, line 21, delete "and"

Page 6, delete lines 22 to 24 and insert:

"(4) expend up to 25 percent of funds appropriated to the authority for start-up purposes, which may be used for financing programs and project investments authorized under this section, prior to adoption of the strategic plan required under subdivision 7 and the investment strategy under subdivision 8; and

(5) require a specific project to agree to implement a project labor agreement as a condition of receiving financing from the authority."

Page 7, after line 11, insert:

"(c) Before providing any direct loans to residential borrowers, the authority must issue a request for information to existing known financing entities, specifying the market need and the authority's goals in meeting the underserved market segment, and soliciting each financing entity's:

(1) current financing offerings for that specific market;

(2) prior efforts to meet that specific market; and

(3) plans and capabilities to serve that specific market.

(d) The authority may only provide direct loans to residential borrowers if the authority certifies that no financing entity is currently able to meet the specific underserved market need and the authority's goals, and that the authority's entry into the market does not supplant or duplicate any existing financing activities in that specific market."

Page 7, line 17, after the first "communities" insert ", labor organizations," and delete "from"

Page 7, line 21, delete "and"

Page 7, line 23, delete the period and insert "; and"

Page 7, after line 23, insert:

"(4) agree to implement a project labor agreement."

Page 7, line 30, after "177.45" insert ", including the posting of prevailing wage rates, prevailing hours of labor, and hourly basic rates of pay for all trades on the project in at least one conspicuous location at the project site"

Page 8, after line 9, insert:

"(c) The authority and any third-party administrator, contractor, subcontractor, or agent that conducts lending, financing, investment, marketing, administration, servicing, or installation of measures in connection with a qualified project financed in whole or in part with authority funds is subject to sections 325D.43 to 325D.48; 325F.67 to 325F.71; 325G.06 to 325G.14; 325G.29 to 325G.37; and 332.37."

Page 8, line 10, delete "(c)" and insert "(d)"

Page 9, line 7, delete "....." and insert "December 15, 2024"

Page 11, line 11, delete everything after "years" and insert period

Page 11, delete lines 12 and 13

Page 11, delete lines 19 to 23

Page 11, line 24, delete "(g)" and insert "(e)"

Page 11, line 27, delete "(h)" and insert "(f)"

Page 11, line 29, delete "(i)" and insert "(g)"

Page 12, line 1, delete "(j)" and insert "(h)"

Page 12, line 4, delete "(k)" and insert "(i)"

Page 12, line 16, after the comma, insert "the ratio of projects subject to and exempt from prevailing wage requirements under subdivision 6, paragraph (b),"

Page 12, after line 25, insert:

"Sec. 2. MINNESOTA CLIMATE INNOVATION FINANCE AUTHORITY.

(a) The initial appointments made under Minnesota Statutes, section 216C.441, subdivision 10, paragraph (a), clause (6), items (i) to (iii), shall be for two-year terms, and the initial appointments made under Minnesota Statutes, section 216C.441, subdivision 10, paragraph (a), clause (6), items (iv) to (vi), shall be for three-year terms.

(b) The governor must make the appointments required under this section no later than July 30, 2023.

(c) The initial meeting of the board of directors must be held no later than September 15, 2023. At the initial meeting, the board shall elect a chair and vice-chair by majority vote of the members present."

Page 12, line 27, before "\$45,000,000" insert "(a)"

Page 12, after line 29, insert:

"(b) Of that amount appropriated under paragraph (a), the commissioner of management and budget may make up to \$..... available to the commissioner of commerce, at the request of the commissioner of commerce, for activities related to preparing and submitting an application on the authority's behalf for federal Greenhouse Gas Reduction Funds as authorized under Minnesota Statutes, section 216C.441, subdivision 4, paragraph (a), clause (13), or to conduct other necessary start-up activities before the authority has sufficient staff resources to do so."

Renumber the sections in sequence

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

Senator Klein from the Committee on Commerce and Consumer Protection, to which was referred

S.F. No. 2810: A bill for an act relating to consumer data privacy; creating the Minnesota Age-Appropriate Design Code Act; placing obligations on certain businesses regarding children's consumer information; providing for enforcement by the attorney general; proposing coding for new law in Minnesota Statutes, chapter 13; proposing coding for new law as Minnesota Statutes, chapter 3250.

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

Page 2, delete section 3 and insert:

"Sec. 3. [3250.02] DEFINITIONS.

(a) For purposes of this chapter, the following terms have the meanings given.

(b) "Affiliate" means a legal entity that controls, is controlled by, or is under common control with, that other legal entity. For these purposes, "control" or "controlled" means: ownership of, or the power to vote, more than 50 percent of the outstanding shares of any class of voting security of a company; control in any manner over the election of a majority of the directors or of individuals exercising similar functions; or the power to exercise a controlling influence over the management of a company.

(c) "Business" means:

(1) a sole proprietorship, partnership, limited liability company, corporation, association, or other legal entity that is organized or operated for the profit or financial benefit of its shareholders or other owners; and

(2) an affiliate of a business that shares common branding with the business. For purposes of this clause, "common branding" means a shared name, servicemark, or trademark that the average consumer would understand that two or more entities are commonly owned.

For purposes of this chapter, for a joint venture or partnership composed of businesses in which each business has at least a 40 percent interest, the joint venture or partnership and each business that composes the joint venture or partnership shall separately be considered a single business, except that personal data in the possession of each business and disclosed to the joint venture or partnership must not be shared with the other business.

(d) "Child" means a consumer who is under 18 years of age.

(e) "Collect" means buying, renting, gathering, obtaining, receiving, or accessing any personal data pertaining to a consumer by any means. This includes receiving data from the consumer, either actively or passively, or by observing the consumer's behavior.

(f) "Consumer" means a natural person who is a Minnesota resident, however identified, including by any unique identifier.

(g) "Dark pattern" means a user interface designed or manipulated with the substantial effect of subverting or impairing user autonomy, decision making, or choice.

(h) "Data protection impact assessment" means a systematic survey to assess and mitigate risks to children who are reasonably likely to access the online service, product, or feature that arise from the data management practices of the business.

(i) "Default" means a preselected option adopted by the business for the online service, product, or feature.

(j) "Deidentified" means data that cannot reasonably be used to infer information about, or otherwise be linked to, an identified or identifiable natural person, or a device linked to such person, provided that the business that possesses the data:

(1) takes reasonable measures to ensure that the data cannot be associated with a natural person;

(2) publicly commits to maintain and use the data only in a deidentified fashion and not attempt to reidentify the data; and

(3) contractually obligates any recipients of the data to comply with all provisions of this paragraph.

(k) "Likely to be accessed by children" means an online service, product, or feature that it is reasonable to expect would be accessed by children based on any of the following indicators:

(1) the online service, product, or feature is directed to children, as defined by the Children's Online Privacy Protection Act, United States Code, title 15, section 6501 et seq.;

(2) the online service, product, or feature is determined, based on competent and reliable evidence regarding audience composition, to be routinely accessed by a significant number of children;

(3) the online service, product, or feature contains advertisements marketed to children;

(4) the online service, product, or feature is substantially similar or the same as an online service, product, or feature subject to clause (2);

(5) the online service, product, or feature has design elements that are known to be of interest to children, including but not limited to games, cartoons, music, and celebrities who appeal to children; or

(6) a significant amount of the audience of the online service, product, or feature is determined, based on internal company research, to be children.

(l) "Online service, product, or feature" does not mean any of the following:

(1) telecommunications service, as defined in United States Code, title 47, section 153;

(2) a broadband service as defined by section 116J.39, subdivision 1; or

(3) the delivery or use of a physical product.

(m) "Personal data" means any information that is linked or reasonably linkable to an identified or identifiable natural person. Personal data does not include deidentified data or publicly available information. For purposes of this paragraph, "publicly available information" means information that (1) is lawfully made available from federal, state, or local government records or widely distributed media, and (2) a controller has a reasonable basis to believe a consumer has lawfully made available to the general public.

(n) "Precise geolocation" means any data that is derived from a device and that is used or intended to be used to locate a consumer within a geographic area that is equal to or less than the area of a circle with a radius of 1,850 feet, except as prescribed by regulations.

(o) "Process" or "processing" means any operation or set of operations that are performed on personal data or on sets of personal data, whether or not by automated means, such as the collection, use, storage, disclosure, analysis, deletion, or modification of personal data.

(p) "Profiling" means any form of automated processing of personal data to evaluate, analyze, or predict personal aspects concerning an identified or identifiable natural person's economic situation, health, personal preferences, interests, reliability, behavior, location, or movements.

(q) "Sale," "sell," or "sold" means the exchange of personal data for monetary or other valuable consideration by a business to a third party. Sale does not include the following:

(1) the disclosure of personal data to a third party who processes the personal data on behalf of the business;

(2) the disclosure of personal data to a third party with whom the consumer has a direct relationship for purposes of providing a product or service requested by the consumer;

(3) the disclosure or transfer of personal data to an affiliate of the business;

(4) the disclosure of data that the consumer intentionally made available to the general public via a channel of mass media and did not restrict to a specific audience; or

(5) the disclosure or transfer of personal data to a third party as an asset that is part of a completed or proposed merger, acquisition, bankruptcy, or other transaction in which the third party assumes control of all or part of the business's assets.

(r) "Share" means sharing, renting, releasing, disclosing, disseminating, making available, transferring, or otherwise communicating orally, in writing, or by electronic or other means a consumer's personal data by the business to a third party for cross-context behavioral advertising, whether or not for monetary or other valuable consideration, including transactions between a business and a third party for cross-context behavioral advertising for the benefit of a business in which no money is exchanged.

(s) "Third party" means a natural or legal person, public authority, agency, or body other than the consumer or the business."

Page 7, after line 6, insert:

"(a) A business is subject to this chapter if it:

(1) collects consumers' personal data or has consumers' personal data collected on its behalf by a third party;

(2) alone or jointly with others, determines the purposes and means of the processing of consumers' personal data;

(3) does business in Minnesota; and

(4) satisfies one or more of the following thresholds:

(i) has annual gross revenues in excess of \$25,000,000, as adjusted every odd-numbered year to reflect the Consumer Price Index;

(ii) alone or in combination, annually buys, receives for the business's commercial purposes, sells, or shares for commercial purposes, alone or in combination, the personal data of 50,000 or more consumers, households, or devices; or

(iii) derives 50 percent or more of its annual revenues from selling consumers' personal data."

Page 7, line 7, before "This" insert "(b)"

Page 8, line 29, delete "information" and insert "data"

Page 9, line 20, delete "sensitive personal information" and insert "personal data"

Page 9, line 29, delete "information" and insert "data"

Page 10, lines 9, 12, 14, 15, 16, 25, 30, and 32, delete "information" and insert "data"

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

Senator Klein from the Committee on Commerce and Consumer Protection, to which was re-referred

S.F. No. 2485: A bill for an act relating to health; requiring commercial health plan coverage of certain treatment at psychiatric residential treatment facilities; adding psychiatric treatment facility to essential community provider designation; amending Minnesota Statutes 2022, sections 62A.152, subdivision 3; 62K.10, subdivision 4; 62Q.19, subdivision 1; 62Q.47.

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

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

S.F. No. 2819: A bill for an act relating to human services; modifying the procedure for sanctions; modifying background studies conducted by the Department of Human Services; modifying definitions; modifying applications and application process; modifying license fees; modifying commissioner of health access to recipient medical records; modifying notice requirements for monetary recovery and sanctions; modifying administrative reconsideration process; modifying licensing data; modifying when email addresses are made public; prohibiting prone restraints in licensed or certified facilities; amending Minnesota Statutes 2022, sections 13.46, subdivision 4; 62V.05, subdivision 4a; 122A.18, subdivision 8; 245A.02, subdivisions 5a, 10b; 245A.04, subdivisions 1, 7; 245A.041, by adding a subdivision; 245A.07, subdivisions 2a, 3; 245A.10, subdivisions 3, 4; 245A.16, subdivision 1; 245C.02, subdivisions 6a, 11c, by adding subdivisions; 245C.03, subdivisions 1, 1a, 4, 5, 5a; 245C.031, subdivisions 1, 4; 245C.05, subdivisions 1, 5a, by adding a subdivision; 245C.07; 245C.08, subdivision 1; 245C.10, subdivision 4; 245C.30, subdivision 2; 245C.31, subdivision 1; 245C.33, subdivision 4; 245H.13, subdivision 9; 245I.20, subdivision 10; 256.9685, subdivisions 1a, 1b; 256.9686, by adding a subdivision; 256B.04, subdivision 15; 256B.064; 256B.27, subdivision 3; 524.5-118, subdivision 2a; proposing coding for new law in Minnesota Statutes, chapter 245A; repealing Minnesota Statutes 2022, sections 245A.22; 245C.02, subdivision 9; 245C.301; 256.9685, subdivisions 1c, 1d; Minnesota Rules, parts 9505.0505, subpart 18; 9505.0520, subpart 9b.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

HUMAN SERVICES LICENSING AND OFFICE OF INSPECTOR GENERAL

Section 1. Minnesota Statutes 2022, section 62V.05, subdivision 4a, is amended to read:

Subd. 4a. **Background study required.** (a) The board must initiate background studies under section 245C.031 of:

- (1) each navigator;
- (2) each in-person assister; and
- (3) each certified application counselor.

(b) The board may initiate the background studies required by paragraph (a) using the online NETStudy 2.0 system operated by the commissioner of human services.

(c) The board shall not permit any individual to provide any service or function listed in paragraph (a) ~~until the board has received notification from the commissioner of human services indicating that the individual:~~

(1) the board has evaluated any notification received from the commissioner of human services indicating the individual's potential disqualifications and has determined that the individual is not disqualified under chapter 245C; or

(2) the board has determined that the individual is disqualified; but has ~~received~~ granted a set aside from the board of that disqualification according to sections 245C.22 and 245C.23.

(d) The board or its delegate shall review a reconsideration request of an individual in paragraph (a), including granting a set aside, according to the procedures and criteria in chapter 245C. The board shall notify the individual and the Department of Human Services of the board's decision.

Sec. 2. **[119B.162] RECONSIDERATION OF CORRECTION ORDERS.**

(a) If a provider believes that the contents of the commissioner's correction order are in error, the provider may ask the Department of Human Services to reconsider the parts of the correction order that are alleged to be in error. The request for reconsideration must be made in writing and must be postmarked and sent to the commissioner within 30 calendar days from the date the correction order was mailed to the provider, and:

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

(2) explain why they are in error; and

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

(b) A request for reconsideration does not stay any provisions or requirements of the correction order. The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14. The commissioner's decision is appealable by petition for writ of certiorari under chapter 606.

Sec. 3. Minnesota Statutes 2022, section 122A.18, subdivision 8, is amended to read:

Subd. 8. **Background studies.** (a) The Professional Educator Licensing and Standards Board and the Board of School Administrators must initiate criminal history background studies of all first-time applicants for educator and administrator licenses under their jurisdiction. Applicants must include with their licensure applications:

(1) an executed criminal history consent form, including fingerprints; and

(2) payment to conduct the background study. The Professional Educator Licensing and Standards Board must deposit payments received under this subdivision in an account in the special revenue fund. Amounts in the account are annually appropriated to the Professional Educator Licensing and Standards Board to pay for the costs of background studies on applicants for licensure.

(b) The background study for all first-time ~~teaching~~ applicants for educator licenses must include a review of information from the Bureau of Criminal Apprehension, including criminal history data as defined in section 13.87, and must also include a review of the national criminal records repository. The superintendent of the Bureau of Criminal Apprehension is authorized to exchange fingerprints with the Federal Bureau of Investigation for purposes of the criminal history check.

(c) The Professional Educator Licensing and Standards Board may initiate criminal history background studies through the commissioner of human services according to section 245C.031 to obtain background study data required under this chapter.

Sec. 4. Minnesota Statutes 2022, section 245A.02, subdivision 5a, is amended to read:

Subd. 5a. **Controlling individual.** (a) "Controlling individual" means an owner of a program or service provider licensed under this chapter and the following individuals, if applicable:

(1) each officer of the organization, including the chief executive officer and chief financial officer;

(2) the individual designated as the authorized agent under section 245A.04, subdivision 1, paragraph (b);

(3) the individual designated as the compliance officer under section 256B.04, subdivision 21, paragraph (g);

(4) each managerial official whose responsibilities include the direction of the management or policies of a program; ~~and~~

(5) the individual designated as the primary provider of care for a special family child care program under section 245A.14, subdivision 4, paragraph (i); and

(6) the president and treasurer of the board of directors of a nonprofit corporation.

(b) Controlling individual does not include:

(1) a bank, savings bank, trust company, savings association, credit union, industrial loan and thrift company, investment banking firm, or insurance company unless the entity operates a program directly or through a subsidiary;

(2) an individual who is a state or federal official, or state or federal employee, or a member or employee of the governing body of a political subdivision of the state or federal government that operates one or more programs, unless the individual is also an officer, owner, or managerial official of the program, receives remuneration from the program, or owns any of the beneficial interests not excluded in this subdivision;

(3) an individual who owns less than five percent of the outstanding common shares of a corporation:

(i) whose securities are exempt under section 80A.45, clause (6); or

(ii) whose transactions are exempt under section 80A.46, clause (2);

(4) an individual who is a member of an organization exempt from taxation under section 290.05, unless the individual is also an officer, owner, or managerial official of the program or owns any of the beneficial interests not excluded in this subdivision. This clause does not exclude from the definition of controlling individual an organization that is exempt from taxation; or

(5) an employee stock ownership plan trust, or a participant or board member of an employee stock ownership plan, unless the participant or board member is a controlling individual according to paragraph (a).

(c) For purposes of this subdivision, "managerial official" means an individual who has the decision-making authority related to the operation of the program, and the responsibility for the ongoing management of or direction of the policies, services, or employees of the program. A site director who has no ownership interest in the program is not considered to be a managerial official for purposes of this definition.

Sec. 5. Minnesota Statutes 2022, section 245A.02, is amended by adding a subdivision to read:

Subd. 5b. **Cradleboard.** "Cradleboard" means a board or frame on which an infant is secured using blankets or other material such as fabric or leather sides and laces, and which often has a frame extending to protect the infant's head. The infant is always placed with its head facing outward and remains supervised in the cradleboard while sleeping or being carried.

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

Sec. 6. Minnesota Statutes 2022, section 245A.02, subdivision 10b, is amended to read:

Subd. 10b. **Owner.** "Owner" means an individual or organization that has a direct or indirect ownership interest of five percent or more in a program licensed under this chapter. For purposes of this subdivision, "direct ownership interest" means the possession of equity in capital, stock, or profits of an organization, and "indirect ownership interest" means a direct ownership interest in an entity that has a direct or indirect ownership interest in a licensed program. For purposes of this chapter, "~~owner of a nonprofit corporation" means the president and treasurer of the board of directors or, for an entity owned by an employee stock ownership plan,~~" means the president and treasurer of the entity. A government entity or nonprofit corporation that is issued a license under this chapter shall be designated the owner.

Sec. 7. Minnesota Statutes 2022, section 245A.04, subdivision 1, is amended to read:

Subdivision 1. **Application for licensure.** (a) An individual, organization, or government entity that is subject to licensure under section 245A.03 must apply for a license. The application must be made on the forms and in the manner prescribed by the commissioner. The commissioner shall provide the applicant with instruction in completing the application and provide information about the rules and requirements of other state agencies that affect the applicant. An applicant seeking licensure in Minnesota with headquarters outside of Minnesota must have a program office located within 30 miles of the Minnesota border. An applicant who intends to buy or otherwise acquire a program or services licensed under this chapter that is owned by another license holder must apply for a license under this chapter and comply with the application procedures in this section and section ~~245A.03~~ 245A.043.

The commissioner shall act on the application within 90 working days after a complete application and any required reports have been received from other state agencies or departments, counties, municipalities, or other political subdivisions. The commissioner shall not consider an application to be complete until the commissioner receives all of the required information.

When the commissioner receives an application for initial licensure that is incomplete because the applicant failed to submit required documents or that is substantially deficient because the documents submitted do not meet licensing requirements, the commissioner shall provide the applicant written notice that the application is incomplete or substantially deficient. In the written notice to the applicant the commissioner shall identify documents that are missing or deficient and give the applicant 45 days to resubmit a second application that is substantially complete. An applicant's failure to submit a substantially complete application after receiving notice from the commissioner is a basis for license denial under section 245A.05.

(b) An application for licensure must identify all controlling individuals as defined in section 245A.02, subdivision 5a, and must designate one individual to be the authorized agent. The application must be signed by the authorized agent and must include the authorized agent's first, middle, and last name; mailing address; and email address. By submitting an application for licensure, the authorized agent consents to electronic communication with the commissioner throughout the application process. The authorized agent must be authorized to accept service on behalf of all of the controlling individuals. A government entity that holds multiple licenses under this chapter may designate one authorized agent for all licenses issued under this chapter or may designate a different authorized agent for each license. Service on the authorized agent is service on all of the controlling individuals. It is not a defense to any action arising under this chapter that service was not made on each controlling individual. The designation of a controlling individual as the authorized agent under this paragraph does not affect the legal responsibility of any other controlling individual under this chapter.

(c) An applicant or license holder must have a policy that prohibits license holders, employees, subcontractors, and volunteers, when directly responsible for persons served by the program, from abusing prescription medication or being in any manner under the influence of a chemical that impairs the individual's ability to provide services or care. The license holder must train employees, subcontractors, and volunteers about the program's drug and alcohol policy.

(d) An applicant and license holder must have a program grievance procedure that permits persons served by the program and their authorized representatives to bring a grievance to the highest level of authority in the program.

(e) The commissioner may limit communication during the application process to the authorized agent or the controlling individuals identified on the license application and for whom a background study was initiated under chapter 245C. The commissioner may require the applicant, except for child foster care, to demonstrate competence in the applicable licensing requirements by successfully completing a written examination. The commissioner may develop a prescribed written examination format.

(f) When an applicant is an individual, the applicant must provide:

(1) the applicant's taxpayer identification numbers including the Social Security number or Minnesota tax identification number, and federal employer identification number if the applicant has employees;

(2) at the request of the commissioner, a copy of the most recent filing with the secretary of state that includes the complete business name, if any;

(3) if doing business under a different name, the doing business as (DBA) name, as registered with the secretary of state;

(4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique Minnesota Provider Identifier (UMPI) number; and

(5) at the request of the commissioner, the notarized signature of the applicant or authorized agent.

(g) When an applicant is an organization, the applicant must provide:

(1) the applicant's taxpayer identification numbers including the Minnesota tax identification number and federal employer identification number;

(2) at the request of the commissioner, a copy of the most recent filing with the secretary of state that includes the complete business name, and if doing business under a different name, the doing business as (DBA) name, as registered with the secretary of state;

(3) the first, middle, and last name, and address for all individuals who will be controlling individuals, including all officers, owners, and managerial officials as defined in section 245A.02, subdivision 5a, and the date that the background study was initiated by the applicant for each controlling individual;

(4) if applicable, the applicant's NPI number and UMPI number;

(5) the documents that created the organization and that determine the organization's internal governance and the relations among the persons that own the organization, have an interest in the organization, or are members of the organization, in each case as provided or authorized by the organization's governing statute, which may include a partnership agreement, bylaws, articles of organization, organizational chart, and operating agreement, or comparable documents as provided in the organization's governing statute; and

(6) the notarized signature of the applicant or authorized agent.

(h) When the applicant is a government entity, the applicant must provide:

(1) the name of the government agency, political subdivision, or other unit of government seeking the license and the name of the program or services that will be licensed;

(2) the applicant's taxpayer identification numbers including the Minnesota tax identification number and federal employer identification number;

(3) a letter signed by the manager, administrator, or other executive of the government entity authorizing the submission of the license application; and

(4) if applicable, the applicant's NPI number and UMPI number.

(i) At the time of application for licensure or renewal of a license under this chapter, the applicant or license holder must acknowledge on the form provided by the commissioner if the applicant or

license holder elects to receive any public funding reimbursement from the commissioner for services provided under the license that:

(1) the applicant's or license holder's compliance with the provider enrollment agreement or registration requirements for receipt of public funding may be monitored by the commissioner as part of a licensing investigation or licensing inspection; and

(2) noncompliance with the provider enrollment agreement or registration requirements for receipt of public funding that is identified through a licensing investigation or licensing inspection, or noncompliance with a licensing requirement that is a basis of enrollment for reimbursement for a service, may result in:

(i) a correction order or a conditional license under section 245A.06, or sanctions under section 245A.07;

(ii) nonpayment of claims submitted by the license holder for public program reimbursement;

(iii) recovery of payments made for the service;

(iv) disenrollment in the public payment program; or

(v) other administrative, civil, or criminal penalties as provided by law.

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

Sec. 8. Minnesota Statutes 2022, section 245A.04, subdivision 4, is amended to read:

Subd. 4. **Inspections; waiver.** (a) Before issuing a license under this chapter, the commissioner shall conduct an inspection of the program. The inspection must include but is not limited to:

(1) an inspection of the physical plant;

(2) an inspection of records and documents;

(3) observation of the program in operation; and

(4) an inspection for the health, safety, and fire standards in licensing requirements for a child care license holder.

(b) The observation in paragraph (a), clause (3), is not required prior to issuing a license under subdivision 7. If the commissioner issues a license under this chapter, these requirements must be completed within one year after the issuance of the license.

(c) Before completing a licensing inspection in a family child care program or child care center, the licensing agency must offer the license holder an exit interview to discuss violations or potential violations of law or rule observed during the inspection and offer technical assistance on how to comply with applicable laws and rules. The commissioner shall not issue a correction order or negative licensing action for violations of law or rule not discussed in an exit interview, unless a license holder chooses not to participate in an exit interview or not to complete the exit interview.

If the license holder is unable to complete the exit interview, the licensing agency must offer an alternate time for the license holder to complete the exit interview.

(d) If a family child care license holder disputes a county licensor's interpretation of a licensing requirement during a licensing inspection or exit interview, the license holder may, within five business days after the exit interview or licensing inspection, request clarification from the commissioner, in writing, in a manner prescribed by the commissioner. The license holder's request must describe the county licensor's interpretation of the licensing requirement at issue, and explain why the license holder believes the county licensor's interpretation is inaccurate. The commissioner and the county must include the license holder in all correspondence regarding the disputed interpretation, and must provide an opportunity for the license holder to contribute relevant information that may impact the commissioner's decision. The county licensor must not issue a correction order related to the disputed licensing requirement until the commissioner has provided clarification to the license holder about the licensing requirement.

(e) The commissioner or the county shall inspect at least ~~annually~~ once each calendar year a child care provider licensed under this chapter and Minnesota Rules, chapter 9502 or 9503, for compliance with applicable licensing standards.

(f) No later than November 19, 2017, the commissioner shall make publicly available on the department's website the results of inspection reports of all child care providers licensed under this chapter and under Minnesota Rules, chapter 9502 or 9503, and the number of deaths, serious injuries, and instances of substantiated child maltreatment that occurred in licensed child care settings each year.

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

Sec. 9. Minnesota Statutes 2022, section 245A.04, subdivision 7, is amended to read:

Subd. 7. **Grant of license; license extension.** (a) If the commissioner determines that the program complies with all applicable rules and laws, the commissioner shall issue a license consistent with this section or, if applicable, a temporary change of ownership license under section 245A.043. At minimum, the license shall state:

- (1) the name of the license holder;
- (2) the address of the program;
- (3) the effective date and expiration date of the license;
- (4) the type of license;
- (5) the maximum number and ages of persons that may receive services from the program; ~~and~~
- (6) any special conditions of licensure; and
- (7) the public email address of the program.

(b) The commissioner may issue a license for a period not to exceed two years if:

(1) the commissioner is unable to conduct the ~~evaluation or~~ observation required by subdivision 4, paragraph (a), clause ~~(4)~~(3), because the program is not yet operational;

(2) certain records and documents are not available because persons are not yet receiving services from the program; and

(3) the applicant complies with applicable laws and rules in all other respects.

(c) A decision by the commissioner to issue a license does not guarantee that any person or persons will be placed or cared for in the licensed program.

(d) Except as provided in paragraphs (f) and (g), the commissioner shall not issue or reissue a license if the applicant, license holder, or controlling individual has:

(1) been disqualified and the disqualification was not set aside and no variance has been granted;

(2) been denied a license under this chapter, within the past two years;

(3) had a license issued under this chapter revoked within the past five years;

(4) an outstanding debt related to a license fee, licensing fine, or settlement agreement for which payment is delinquent; or

(5) failed to submit the information required of an applicant under subdivision 1, paragraph (f) ~~or~~, (g), or (h), after being requested by the commissioner.

When a license issued under this chapter is revoked under clause (1) or (3), the license holder and controlling individual may not hold any license under chapter 245A for five years following the revocation, and other licenses held by the applicant, license holder, or controlling individual shall also be revoked.

(e) The commissioner shall not issue or reissue a license under this chapter if an individual living in the household where the services will be provided as specified under section 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside and no variance has been granted.

(f) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued under this chapter has been suspended or revoked and the suspension or revocation is under appeal, the program may continue to operate pending a final order from the commissioner. If the license under suspension or revocation will expire before a final order is issued, a temporary provisional license may be issued provided any applicable license fee is paid before the temporary provisional license is issued.

(g) Notwithstanding paragraph (f), when a revocation is based on the disqualification of a controlling individual or license holder, and the controlling individual or license holder is ordered under section 245C.17 to be immediately removed from direct contact with persons receiving services or is ordered to be under continuous, direct supervision when providing direct contact services, the program may continue to operate only if the program complies with the order and submits documentation demonstrating compliance with the order. If the disqualified individual fails to submit a timely request for reconsideration, or if the disqualification is not set aside and no variance is granted, the order to immediately remove the individual from direct contact or to be under continuous,

direct supervision remains in effect pending the outcome of a hearing and final order from the commissioner.

(h) For purposes of reimbursement for meals only, under the Child and Adult Care Food Program, Code of Federal Regulations, title 7, subtitle B, chapter II, subchapter A, part 226, relocation within the same county by a licensed family day care provider, shall be considered an extension of the license for a period of no more than 30 calendar days or until the new license is issued, whichever occurs first, provided the county agency has determined the family day care provider meets licensure requirements at the new location.

(i) Unless otherwise specified by statute, all licenses issued under this chapter expire at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must apply for and be granted a new license to operate the program or the program must not be operated after the expiration date.

(j) The commissioner shall not issue or reissue a license under this chapter if it has been determined that a tribal licensing authority has established jurisdiction to license the program or service.

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

Sec. 10. Minnesota Statutes 2022, section 245A.041, is amended by adding a subdivision to read:

Subd. 6. First date of direct contact; documentation requirements. Except for family child care, family foster care for children, and family adult day services that the license holder provides in the license holder's residence, license holders must document the first date that a background study subject has direct contact, as defined in section 245C.02, subdivision 11, with a person served by the license holder's program. Unless this chapter otherwise requires, if the license holder does not maintain the documentation required by this subdivision in the license holder's personnel files, the license holder must provide the documentation to the commissioner upon the commissioner's request.

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

Sec. 11. Minnesota Statutes 2022, section 245A.05, is amended to read:

245A.05 DENIAL OF APPLICATION.

(a) The commissioner may deny a license if an applicant or controlling individual:

(1) fails to submit a substantially complete application after receiving notice from the commissioner under section 245A.04, subdivision 1;

(2) fails to comply with applicable laws or rules;

(3) knowingly withholds relevant information from or gives false or misleading information to the commissioner in connection with an application for a license or during an investigation;

(4) has a disqualification that has not been set aside under section 245C.22 and no variance has been granted;

(5) has an individual living in the household who received a background study under section 245C.03, subdivision 1, paragraph (a), clause (2), who has a disqualification that has not been set aside under section 245C.22, and no variance has been granted;

(6) is associated with an individual who received a background study under section 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to children or vulnerable adults, and who has a disqualification that has not been set aside under section 245C.22, and no variance has been granted;

(7) fails to comply with section 245A.04, subdivision 1, paragraph (f) or (g);

(8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision 6;

(9) has a history of noncompliance as a license holder or controlling individual with applicable laws or rules, including but not limited to this chapter and chapters 119B and 245C;

(10) is prohibited from holding a license according to section 245.095; or

(11) for a family foster setting, has or has an individual who is living in the household where the licensed services are provided or is otherwise subject to a background study who has nondisqualifying background study information, as described in section 245C.05, subdivision 4, that reflects on the individual's applicant's ability to safely provide care to foster children.

(b) An applicant whose application has been denied by the commissioner must be given notice of the denial, which must state the reasons for the denial in plain language. Notice must be given by certified mail or personal service. The notice must state the reasons the application was denied and must inform the applicant of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the commissioner in writing by certified mail or personal service. If mailed, the appeal must be postmarked and sent to the commissioner within 20 calendar days after the applicant received the notice of denial. If an appeal request is made by personal service, it must be received by the commissioner within 20 calendar days after the applicant received the notice of denial. Section 245A.08 applies to hearings held to appeal the commissioner's denial of an application.

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

Sec. 12. Minnesota Statutes 2022, section 245A.07, subdivision 1, is amended to read:

Subdivision 1. **Sanctions; appeals; license.** (a) In addition to making a license conditional under section 245A.06, the commissioner may suspend or revoke the license, impose a fine, or secure an injunction against the continuing operation of the program of a license holder who:

(1) does not comply with applicable law or rule, ~~or who;~~

(2) has nondisqualifying background study information, as described in section 245C.05, subdivision 4, that reflects on the license holder's ability to safely provide care to foster children;
or

(3) has an individual living in the household where the licensed services are provided or is otherwise subject to a background study and the individual has nondisqualifying background study information, as described in section 245C.05, subdivision 4, that reflects on the license holder's ability to safely provide care to foster children.

When applying sanctions authorized under this section, the commissioner shall consider the nature, chronicity, or severity of the violation of law or rule and the effect of the violation on the health, safety, or rights of persons served by the program.

(b) If a license holder appeals the suspension or revocation of a license and the license holder continues to operate the program pending a final order on the appeal, the commissioner shall issue the license holder a temporary provisional license. Unless otherwise specified by the commissioner, variances in effect on the date of the license sanction under appeal continue under the temporary provisional license. If a license holder fails to comply with applicable law or rule while operating under a temporary provisional license, the commissioner may impose additional sanctions under this section and section 245A.06, and may terminate any prior variance. If a temporary provisional license is set to expire, a new temporary provisional license shall be issued to the license holder upon payment of any fee required under section 245A.10. The temporary provisional license shall expire on the date the final order is issued. If the license holder prevails on the appeal, a new nonprovisional license shall be issued for the remainder of the current license period.

(c) If a license holder is under investigation and the license issued under this chapter is due to expire before completion of the investigation, the program shall be issued a new license upon completion of the reapplication requirements and payment of any applicable license fee. Upon completion of the investigation, a licensing sanction may be imposed against the new license under this section, section 245A.06, or 245A.08.

(d) Failure to reapply or closure of a license issued under this chapter by the license holder prior to the completion of any investigation shall not preclude the commissioner from issuing a licensing sanction under this section or section 245A.06 at the conclusion of the investigation.

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

Sec. 13. Minnesota Statutes 2022, section 245A.07, subdivision 2a, is amended to read:

Subd. 2a. **Immediate suspension expedited hearing.** (a) Within five working days of receipt of the license holder's timely appeal, the commissioner shall request assignment of an administrative law judge. The request must include a proposed date, time, and place of a hearing. A hearing must be conducted by an administrative law judge within 30 calendar days of the request for assignment, unless an extension is requested by either party and granted by the administrative law judge for good cause. The commissioner shall issue a notice of hearing by certified mail or personal service at least ten working days before the hearing. The scope of the hearing shall be limited solely to the issue of whether the temporary immediate suspension should remain in effect pending the commissioner's final order under section 245A.08, regarding a licensing sanction issued under subdivision 3 following the immediate suspension. For suspensions under subdivision 2, paragraph (a), clause (1), the burden of proof in expedited hearings under this subdivision shall be limited to the commissioner's demonstration that reasonable cause exists to believe that the license holder's actions or failure to comply with applicable law or rule poses, or the actions of other individuals or

conditions in the program poses an imminent risk of harm to the health, safety, or rights of persons served by the program. "Reasonable cause" means there exist specific articulable facts or circumstances which provide the commissioner with a reasonable suspicion that there is an imminent risk of harm to the health, safety, or rights of persons served by the program. When the commissioner has determined there is reasonable cause to order the temporary immediate suspension of a license based on a violation of safe sleep requirements, as defined in section 245A.1435, the commissioner is not required to demonstrate that an infant died or was injured as a result of the safe sleep violations. For suspensions under subdivision 2, paragraph (a), clause (2), the burden of proof in expedited hearings under this subdivision shall be limited to the commissioner's demonstration by a preponderance of the evidence that, since the license was revoked, the license holder committed additional violations of law or rule which may adversely affect the health or safety of persons served by the program.

(b) The administrative law judge shall issue findings of fact, conclusions, and a recommendation within ten working days from the date of hearing. The parties shall have ten calendar days to submit exceptions to the administrative law judge's report. The record shall close at the end of the ten-day period for submission of exceptions. The commissioner's final order shall be issued within ten working days from the close of the record. When an appeal of a temporary immediate suspension is withdrawn or dismissed, the commissioner shall issue a final order affirming the temporary immediate suspension within ten calendar days of the commissioner's receipt of the withdrawal or dismissal. Within 90 calendar days after an immediate suspension has been issued and the license holder has not submitted a timely appeal under subdivision 2, paragraph (b), or within 90 calendar days after a final order affirming an immediate suspension, the commissioner shall ~~make a determination regarding~~ determine:

(1) whether a final licensing sanction shall be issued under subdivision 3, paragraph (a), clauses (1) to (5). The license holder shall continue to be prohibited from operation of the program during this 90-day period; or

(2) whether the outcome of related, ongoing investigations or judicial proceedings are necessary to determine if a final licensing sanction under subdivision 3, paragraph (a), clauses (1) to (5), will be issued, and persons served by the program remain at an imminent risk of harm during the investigation period or proceedings. If so, the commissioner shall issue a suspension order under subdivision 3, paragraph (a), clause (6).

(c) When the final order under paragraph (b) affirms an immediate suspension or the license holder does not submit a timely appeal of the immediate suspension, and a final licensing sanction is issued under subdivision 3 and the license holder appeals that sanction, the license holder continues to be prohibited from operation of the program pending a final commissioner's order under section 245A.08, subdivision 5, regarding the final licensing sanction.

(d) The license holder shall continue to be prohibited from operation of the program while a suspension order issued under paragraph (b), clause (2), remains in effect.

~~(d)~~ (e) For suspensions under subdivision 2, paragraph (a), clause (3), the burden of proof in expedited hearings under this subdivision shall be limited to the commissioner's demonstration by a preponderance of the evidence that a criminal complaint and warrant or summons was issued for

the license holder that was not dismissed, and that the criminal charge is an offense that involves fraud or theft against a program administered by the commissioner.

Sec. 14. Minnesota Statutes 2022, section 245A.07, subdivision 3, is amended to read:

Subd. 3. License suspension, revocation, or fine. (a) The commissioner may suspend or revoke a license, or impose a fine if:

(1) a license holder fails to comply fully with applicable laws or rules including but not limited to the requirements of this chapter and chapter 245C;

(2) a license holder, a controlling individual, or an individual living in the household where the licensed services are provided or is otherwise subject to a background study has been disqualified and the disqualification was not set aside and no variance has been granted;

(3) a license holder knowingly withholds relevant information from or gives false or misleading information to the commissioner in connection with an application for a license, in connection with the background study status of an individual, during an investigation, or regarding compliance with applicable laws or rules;

(4) a license holder is excluded from any program administered by the commissioner under section 245.095; ~~or~~

(5) revocation is required under section 245A.04, subdivision 7, paragraph (d); or

(6) for a family foster setting, a license holder, or an individual living in the household where the licensed services are provided or who is otherwise subject to a background study has nondisqualifying background study information, as described in section 245C.05, subdivision 4, that reflects on the license holder's ability to safely provide care to foster children.

A license holder who has had a license issued under this chapter suspended, revoked, or has been ordered to pay a fine must be given notice of the action by certified mail or personal service. If mailed, the notice must be mailed to the address shown on the application or the last known address of the license holder. The notice must state in plain language the reasons the license was suspended or revoked, or a fine was ordered.

(b) If the license was suspended or revoked, the notice must inform the license holder of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The license holder may appeal an order suspending or revoking a license. The appeal of an order suspending or revoking a license must be made in writing by certified mail or personal service. If mailed, the appeal must be postmarked and sent to the commissioner within ten calendar days after the license holder receives notice that the license has been suspended or revoked. If a request is made by personal service, it must be received by the commissioner within ten calendar days after the license holder received the order. Except as provided in subdivision 2a, paragraph (c), if a license holder submits a timely appeal of an order suspending or revoking a license, the license holder may continue to operate the program as provided in section 245A.04, subdivision 7, paragraphs (f) and (g), until the commissioner issues a final order on the suspension or revocation.

(c)(1) If the license holder was ordered to pay a fine, the notice must inform the license holder of the responsibility for payment of fines and the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The appeal of an order to pay a fine must be made in writing by certified mail or personal service. If mailed, the appeal must be postmarked and sent to the commissioner within ten calendar days after the license holder receives notice that the fine has been ordered. If a request is made by personal service, it must be received by the commissioner within ten calendar days after the license holder received the order.

(2) The license holder shall pay the fines assessed on or before the payment date specified. If the license holder fails to fully comply with the order, the commissioner may issue a second fine or suspend the license until the license holder complies. If the license holder receives state funds, the state, county, or municipal agencies or departments responsible for administering the funds shall withhold payments and recover any payments made while the license is suspended for failure to pay a fine. A timely appeal shall stay payment of the fine until the commissioner issues a final order.

(3) A license holder shall promptly notify the commissioner of human services, in writing, when a violation specified in the order to forfeit a fine is corrected. If upon reinspection the commissioner determines that a violation has not been corrected as indicated by the order to forfeit a fine, the commissioner may issue a second fine. The commissioner shall notify the license holder by certified mail or personal service that a second fine has been assessed. The license holder may appeal the second fine as provided under this subdivision.

(4) Fines shall be assessed as follows:

(i) the license holder shall forfeit \$1,000 for each determination of maltreatment of a child under chapter 260E or the maltreatment of a vulnerable adult under section 626.557 for which the license holder is determined responsible for the maltreatment under section 260E.30, subdivision 4, paragraphs (a) and (b), or 626.557, subdivision 9c, paragraph (c);

(ii) if the commissioner determines that a determination of maltreatment for which the license holder is responsible is the result of maltreatment that meets the definition of serious maltreatment as defined in section 245C.02, subdivision 18, the license holder shall forfeit \$5,000;

(iii) for a program that operates out of the license holder's home and a program licensed under Minnesota Rules, parts 9502.0300 to 9502.0445, the fine assessed against the license holder shall not exceed \$1,000 for each determination of maltreatment;

(iv) the license holder shall forfeit \$200 for each occurrence of a violation of law or rule governing matters of health, safety, or supervision, including but not limited to the provision of adequate staff-to-child or adult ratios, and failure to comply with background study requirements under chapter 245C; and

(v) the license holder shall forfeit \$100 for each occurrence of a violation of law or rule other than those subject to a \$5,000, \$1,000, or \$200 fine in items (i) to (iv).

For purposes of this section, "occurrence" means each violation identified in the commissioner's fine order. Fines assessed against a license holder that holds a license to provide home and community-based services, as identified in section 245D.03, subdivision 1, and a community residential setting or day services facility license under chapter 245D where the services are provided,

may be assessed against both licenses for the same occurrence, but the combined amount of the fines shall not exceed the amount specified in this clause for that occurrence.

(5) When a fine has been assessed, the license holder may not avoid payment by closing, selling, or otherwise transferring the licensed program to a third party. In such an event, the license holder will be personally liable for payment. In the case of a corporation, each controlling individual is personally and jointly liable for payment.

(d) Except for background study violations involving the failure to comply with an order to immediately remove an individual or an order to provide continuous, direct supervision, the commissioner shall not issue a fine under paragraph (c) relating to a background study violation to a license holder who self-corrects a background study violation before the commissioner discovers the violation. A license holder who has previously exercised the provisions of this paragraph to avoid a fine for a background study violation may not avoid a fine for a subsequent background study violation unless at least 365 days have passed since the license holder self-corrected the earlier background study violation.

EFFECTIVE DATE. Paragraph (a), clause (7), is effective the day following final enactment.

Sec. 15. Minnesota Statutes 2022, section 245A.10, subdivision 3, is amended to read:

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

(b) Except as provided in clauses (1) ~~to (3)~~ and (2), an applicant shall apply for a license to provide services at a specific location.

(1) For a license to provide home and community-based services to persons with disabilities or age 65 and older under chapter 245D, an applicant shall submit an application to provide services statewide. Notwithstanding paragraph (a), applications received by the commissioner between July 1, 2013, and December 31, 2013, for licensure of services provided under chapter 245D must include an application fee that is equal to the annual license renewal fee under subdivision 4, paragraph (b), or \$500, whichever is less. Applications received by the commissioner after January 1, 2014, must include the application fee required under paragraph (a). Applicants who meet the modified application criteria identified in section 245A.042, subdivision 2, are exempt from paying an application fee.

~~(2) For a license to provide independent living assistance for youth under section 245A.22, an applicant shall submit a single application to provide services statewide.~~

~~(3)~~ (2) For a license for a private agency to provide foster care or adoption services under Minnesota Rules, parts 9545.0755 to 9545.0845, an applicant shall submit a single application to provide services statewide.

(c) The initial application fee charged under this subdivision does not include the temporary license surcharge under section 16E.22.

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

Sec. 16. Minnesota Statutes 2022, section 245A.10, subdivision 4, is amended to read:

Subd. 4. **License or certification fee for certain programs.** (a) Child care centers shall pay an annual nonrefundable license fee based on the following schedule:

Licensed Capacity	Child Care Center License Fee
1 to 24 persons	\$200
25 to 49 persons	\$300
50 to 74 persons	\$400
75 to 99 persons	\$500
100 to 124 persons	\$600
125 to 149 persons	\$700
150 to 174 persons	\$800
175 to 199 persons	\$900
200 to 224 persons	\$1,000
225 or more persons	\$1,100

(b)(1) A program licensed to provide one or more of the home and community-based services and supports identified under chapter 245D to persons with disabilities or age 65 and older, shall pay an annual nonrefundable license fee based on revenues derived from the provision of services that would require licensure under chapter 245D during the calendar year immediately preceding the year in which the license fee is paid, according to the following schedule:

License Holder Annual Revenue	License Fee
less than or equal to \$10,000	\$200
greater than \$10,000 but less than or equal to \$25,000	\$300
greater than \$25,000 but less than or equal to \$50,000	\$400
greater than \$50,000 but less than or equal to \$100,000	\$500
greater than \$100,000 but less than or equal to \$150,000	\$600
greater than \$150,000 but less than or equal to \$200,000	\$800
greater than \$200,000 but less than or equal to \$250,000	\$1,000
greater than \$250,000 but less than or equal to \$300,000	\$1,200

greater than \$300,000 but less than or equal to \$350,000	\$1,400
greater than \$350,000 but less than or equal to \$400,000	\$1,600
greater than \$400,000 but less than or equal to \$450,000	\$1,800
greater than \$450,000 but less than or equal to \$500,000	\$2,000
greater than \$500,000 but less than or equal to \$600,000	\$2,250
greater than \$600,000 but less than or equal to \$700,000	\$2,500
greater than \$700,000 but less than or equal to \$800,000	\$2,750
greater than \$800,000 but less than or equal to \$900,000	\$3,000
greater than \$900,000 but less than or equal to \$1,000,000	\$3,250
greater than \$1,000,000 but less than or equal to \$1,250,000	\$3,500
greater than \$1,250,000 but less than or equal to \$1,500,000	\$3,750
greater than \$1,500,000 but less than or equal to \$1,750,000	\$4,000
greater than \$1,750,000 but less than or equal to \$2,000,000	\$4,250
greater than \$2,000,000 but less than or equal to \$2,500,000	\$4,500
greater than \$2,500,000 but less than or equal to \$3,000,000	\$4,750
greater than \$3,000,000 but less than or equal to \$3,500,000	\$5,000
greater than \$3,500,000 but less than or equal to \$4,000,000	\$5,500
greater than \$4,000,000 but less than or equal to \$4,500,000	\$6,000
greater than \$4,500,000 but less than or equal to \$5,000,000	\$6,500
greater than \$5,000,000 but less than or equal to \$7,500,000	\$7,000
greater than \$7,500,000 but less than or equal to \$10,000,000	\$8,500

greater than \$10,000,000 but less than or equal to \$12,500,000	\$10,000
greater than \$12,500,000 but less than or equal to \$15,000,000	\$14,000
greater than \$15,000,000	\$18,000

(2) If requested, the license holder shall provide the commissioner information to verify the license holder's annual revenues or other information as needed, including copies of documents submitted to the Department of Revenue.

(3) At each annual renewal, a license holder may elect to pay the highest renewal fee, and not provide annual revenue information to the commissioner.

(4) A license holder that knowingly provides the commissioner incorrect revenue amounts for the purpose of paying a lower license fee shall be subject to a civil penalty in the amount of double the fee the provider should have paid.

(5) Notwithstanding clause (1), a license holder providing services under one or more licenses under chapter 245B that are in effect on May 15, 2013, shall pay an annual license fee for calendar years 2014, 2015, and 2016, equal to the total license fees paid by the license holder for all licenses held under chapter 245B for calendar year 2013. For calendar year 2017 and thereafter, the license holder shall pay an annual license fee according to clause (1).

(c) A substance use disorder treatment program licensed under chapter 245G, to provide substance use disorder treatment shall pay an annual nonrefundable license fee based on the following schedule:

Licensed Capacity	License Fee
1 to 24 persons	\$600
25 to 49 persons	\$800
50 to 74 persons	\$1,000
75 to 99 persons	\$1,200
100 or more persons	\$1,400

(d) A detoxification program licensed under Minnesota Rules, parts 9530.6510 to 9530.6590, or a withdrawal management program licensed under chapter 245F shall pay an annual nonrefundable license fee based on the following schedule:

Licensed Capacity	License Fee
1 to 24 persons	\$760
25 to 49 persons	\$960
50 or more persons	\$1,160

A detoxification program that also operates a withdrawal management program at the same location shall only pay one fee based upon the licensed capacity of the program with the higher overall capacity.

(e) Except for child foster care, a residential facility licensed under Minnesota Rules, chapter 2960, to serve children shall pay an annual nonrefundable license fee based on the following schedule:

Licensed Capacity	License Fee
1 to 24 persons	\$1,000
25 to 49 persons	\$1,100
50 to 74 persons	\$1,200
75 to 99 persons	\$1,300
100 or more persons	\$1,400

(f) A residential facility licensed under section 245I.23 or Minnesota Rules, parts 9520.0500 to 9520.0670, to serve persons with mental illness shall pay an annual nonrefundable license fee based on the following schedule:

Licensed Capacity	License Fee
1 to 24 persons	\$2,525
25 or more persons	\$2,725

(g) A residential facility licensed under Minnesota Rules, parts 9570.2000 to 9570.3400, to serve persons with physical disabilities shall pay an annual nonrefundable license fee based on the following schedule:

Licensed Capacity	License Fee
1 to 24 persons	\$450
25 to 49 persons	\$650
50 to 74 persons	\$850
75 to 99 persons	\$1,050
100 or more persons	\$1,250

~~(h) A program licensed to provide independent living assistance for youth under section 245A.22 shall pay an annual nonrefundable license fee of \$1,500.~~

(†) (h) A private agency licensed to provide foster care and adoption services under Minnesota Rules, parts 9545.0755 to 9545.0845, shall pay an annual nonrefundable license fee of \$875.

(†) (i) A program licensed as an adult day care center licensed under Minnesota Rules, parts 9555.9600 to 9555.9730, shall pay an annual nonrefundable license fee based on the following schedule:

Licensed Capacity	License Fee
1 to 24 persons	\$500
25 to 49 persons	\$700
50 to 74 persons	\$900
75 to 99 persons	\$1,100
100 or more persons	\$1,300

~~(†) (j) A program licensed to provide treatment services to persons with sexual psychopathic personalities or sexually dangerous persons under Minnesota Rules, parts 9515.3000 to 9515.3110, shall pay an annual nonrefundable license fee of \$20,000.~~

~~(k)~~ (k) A mental health clinic certified under section 245I.20 shall pay an annual nonrefundable certification fee of \$1,550. If the mental health clinic provides services at a primary location with satellite facilities, the satellite facilities shall be certified with the primary location without an additional charge.

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

Sec. 17. Minnesota Statutes 2022, section 245A.11, is amended by adding a subdivision to read:

Subd. 12. License holder qualifications for child foster care. (a) Child foster care license holders must maintain the ability to care for a foster child and ensure a safe home environment for children placed in their care. License holders must immediately notify the licensing agency of:

(1) any changes to the license holder or household member's physical or behavioral health that may affect the license holder's ability to care for a foster child or pose a risk to a foster child's health;
or

(2) changes related to the care of a child or vulnerable adult for whom the license holder is a parent or legally responsible, including living out of the home for treatment for physical or behavioral health, modified parenting time arrangements, legal custody, or placement in foster care.

(b) The licensing agency may request a license holder or household member to undergo an evaluation by a specialist in areas such as physical or behavioral health to evaluate the license holder's ability to provide a safe environment for a foster child. The licensing agency must request a release of information from the license holder or household member prior to assigning the specialist to evaluate, and the licensing agency must tell the license holder or household member why it is requesting a specialist to evaluate.

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

Sec. 18. Minnesota Statutes 2022, section 245A.14, subdivision 4, is amended to read:

Subd. 4. Special family child care homes. (a) Nonresidential child care programs serving 14 or fewer children that are conducted at a location other than the license holder's own residence shall be licensed under this section and the rules governing family child care or group family child care if:

~~(a)~~ (1) the license holder is the primary provider of care and the nonresidential child care program is conducted in a dwelling that is located on a residential lot;

~~(b)~~ (2) the license holder is an employer who may or may not be the primary provider of care, and the purpose for the child care program is to provide child care services to children of the license holder's employees;

~~(c)~~ (3) the license holder is a church or religious organization;

~~(d)~~ (4) the license holder is a community collaborative child care provider. For purposes of this subdivision, a community collaborative child care provider is a provider participating in a cooperative agreement with a community action agency as defined in section 256E.31;

~~(e)~~ (5) the license holder is a not-for-profit agency that provides child care in a dwelling located on a residential lot and the license holder maintains two or more contracts with community employers or other community organizations to provide child care services. The county licensing agency may grant a capacity variance to a license holder licensed under this ~~paragraph~~ clause to exceed the licensed capacity of 14 children by no more than five children during transition periods related to the work schedules of parents, if the license holder meets the following requirements:

~~(1)~~ (i) the program does not exceed a capacity of 14 children more than a cumulative total of four hours per day;

~~(2)~~ (ii) the program meets a one to seven staff-to-child ratio during the variance period;

~~(3)~~ (iii) all employees receive at least an extra four hours of training per year than required in the rules governing family child care each year;

~~(4)~~ (iv) the facility has square footage required per child under Minnesota Rules, part 9502.0425;

~~(5)~~ (v) the program is in compliance with local zoning regulations;

~~(6)~~ (vi) the program is in compliance with the applicable fire code as follows:

~~(i)~~ (A) if the program serves more than five children older than 2-1/2 years of age, but no more than five children 2-1/2 years of age or less, the applicable fire code is educational occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code ~~2015~~ 2020, Section 202; or

~~(ii)~~ (B) if the program serves more than five children 2-1/2 years of age or less, the applicable fire code is Group I-4 ~~Occupancies~~ Occupancy, as provided in the Minnesota State Fire Code ~~2015~~ 2020, Section 202, unless the rooms in which the children 2-1/2 years of age or younger are cared for are located on a level of exit discharge and each of these child care rooms has an exit door directly to the exterior, then the applicable fire code is Group E ~~occupancies~~ Occupancy, as provided in the Minnesota State Fire Code ~~2015~~ 2020, Section 202; and

~~(7)~~ (vii) any age and capacity limitations required by the fire code inspection and square footage determinations shall be printed on the license; or

~~(f)~~ (6) the license holder is the primary provider of care and has located the licensed child care program in a commercial space, if the license holder meets the following requirements:

~~(1)~~ (i) the program is in compliance with local zoning regulations;

~~(2)~~ (ii) the program is in compliance with the applicable fire code as follows:

~~(i)~~ (A) if the program serves more than five children older than 2-1/2 years of age, but no more than five children 2-1/2 years of age or less, the applicable fire code is educational occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code ~~2015~~ 2020, Section 202; or

~~(ii)~~ (B) if the program serves more than five children 2-1/2 years of age or less, the applicable fire code is Group I-4 ~~Occupancies~~ Occupancy, as provided under the Minnesota State Fire Code ~~2015~~ 2020, Section 202, unless the rooms in which the children 2-1/2 years of age or younger are cared for are located on a level of exit discharge and each of these child care rooms has an exit door

directly to the exterior, then the applicable fire code is Group E Occupancy, as provided in the Minnesota State Fire Code 2020, Section 202;

~~(3)~~ (iii) any age and capacity limitations required by the fire code inspection and square footage determinations are printed on the license; and

~~(4)~~ (iv) the license holder prominently displays the license issued by the commissioner which contains the statement "This special family child care provider is not licensed as a child care center."

~~(5)~~ (b) Notwithstanding Minnesota Rules, part 9502.0335, subpart 12, the commissioner may issue up to four licenses to an organization licensed under paragraph ~~(b)~~, ~~(c)~~, ~~or (e)~~ (a), clause (2), (3), or (5). Each license must have its own primary provider of care as required under paragraph ~~(4)~~ (d). Each license must operate as a distinct and separate program in compliance with all applicable laws and regulations.

~~(6)~~ (c) For licenses issued under paragraph ~~(b)~~, ~~(c)~~, ~~(d)~~, ~~(e)~~, ~~or (f)~~ (a), clause (2), (3), (4), (5), or (6), the commissioner may approve up to four licenses at the same location or under one contiguous roof if each license holder is able to demonstrate compliance with all applicable rules and laws. Each licensed program must operate as a distinct program and within the capacity, age, and ratio distributions of each license.

~~(7)~~ (d) For a license issued under paragraph ~~(b)~~, ~~(c)~~, ~~or (e)~~ (a), clause (2), (3), or (5), the license holder must designate a person to be the primary provider of care at the licensed location on a form and in a manner prescribed by the commissioner. The license holder shall notify the commissioner in writing before there is a change of the person designated to be the primary provider of care. The primary provider of care:

(1) must be the person who will be the provider of care at the program and present during the hours of operation;

(2) must operate the program in compliance with applicable laws and regulations under chapter 245A and Minnesota Rules, chapter 9502;

(3) is considered a child care background study subject as defined in section 245C.02, subdivision 6a, and must comply with background study requirements in chapter 245C;

(4) must complete the training that is required of license holders in section 245A.50; and

(5) is authorized to communicate with the county licensing agency and the department on matters related to licensing.

~~(8)~~ (e) For any license issued under this subdivision, the license holder must ensure that any other caregiver, substitute, or helper who assists in the care of children meets the training requirements in section 245A.50 and background study requirements under chapter 245C.

Sec. 19. Minnesota Statutes 2022, section 245A.1435, is amended to read:

245A.1435 REDUCTION OF RISK OF SUDDEN UNEXPECTED INFANT DEATH IN LICENSED PROGRAMS.

(a) When a license holder is placing an infant to sleep, the license holder must place the infant on the infant's back, unless the license holder has documentation from the infant's physician, advanced practice registered nurse, or physician assistant directing an alternative sleeping position for the infant. The physician, advanced practice registered nurse, or physician assistant directive must be on a form ~~approved~~ developed by the commissioner and must remain on file at the licensed location. An infant who independently rolls onto its stomach after being placed to sleep on its back may be allowed to remain sleeping on its stomach if the infant is at least six months of age or the license holder has a signed statement from the parent indicating that the infant regularly rolls over at home.

(b) The license holder must place the infant in a crib directly on a firm mattress with a fitted sheet that is appropriate to the mattress size, that fits tightly on the mattress, and overlaps the underside of the mattress so it cannot be dislodged by pulling on the corner of the sheet with reasonable effort. The license holder must not place anything in the crib with the infant except for the infant's pacifier, as defined in Code of Federal Regulations, title 16, part 1511. The pacifier must be free from any sort of attachment. The requirements of this section apply to license holders serving infants younger than one year of age. Licensed child care providers must meet the crib requirements under section 245A.146. A correction order shall not be issued under this paragraph unless there is evidence that a violation occurred when an infant was present in the license holder's care.

(c) If an infant falls asleep before being placed in a crib, the license holder must move the infant to a crib as soon as practicable, and must keep the infant within sight of the license holder until the infant is placed in a crib. When an infant falls asleep while being held, the license holder must consider the supervision needs of other children in care when determining how long to hold the infant before placing the infant in a crib to sleep. The sleeping infant must not be in a position where the airway may be blocked or with anything covering the infant's face.

(d) When a license holder places an infant under one year of age down to sleep, the infant's clothing or sleepwear must not have weighted materials, a hood, or a bib.

(e) A license holder may place an infant under one year of age down to sleep wearing a helmet if the license holder has signed documentation by a physician, advanced practice registered nurse, physician assistant, licensed occupational therapist, or licensed physical therapist on a form developed by the commissioner.

~~(f)~~ (f) Placing a swaddled infant down to sleep in a licensed setting is not recommended for an infant of any age and is prohibited for any infant who has begun to roll over independently. However, with the written consent of a parent or guardian according to this paragraph, a license holder may place the infant who has not yet begun to roll over on its own down to sleep in a ~~one-piece sleeper equipped with an attached system that fastens securely only across the upper torso, with no constriction of the hips or legs, to create a swaddle.~~ A swaddle is defined as a one-piece sleepwear that wraps over the infant's arms, fastens securely only across the infant's upper torso, and does not constrict the infant's hips or legs. If a swaddle is used by a license holder, the license holder must ensure that it meets the requirements of paragraph (d) and is not so tight that it restricts the infant's ability to breathe or so loose that the fabric could cover the infant's nose and mouth. Prior to any use of swaddling for sleep by a provider licensed under this chapter, the license holder must obtain informed written consent for the use of swaddling from the parent or guardian of the infant on a form ~~provided~~ developed by the commissioner ~~and prepared in partnership with the Minnesota Sudden Infant Death Center.~~

(g) A license holder may request a variance to this section to permit the use of a cradleboard when requested by a parent or guardian for a cultural accommodation. A variance for the use of a cradleboard may be issued only by the commissioner. The variance request must be submitted on a form developed by the commissioner in partnership with Tribal welfare agencies and the Department of Health.

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

Sec. 20. Minnesota Statutes 2022, section 245A.146, subdivision 3, is amended to read:

Subd. 3. **License holder documentation of cribs.** (a) Annually, from the date printed on the license, all license holders shall check all their cribs' brand names and model numbers against the United States Consumer Product Safety Commission website listing of unsafe cribs.

(b) The license holder shall maintain written documentation to be reviewed on site for each crib showing that the review required in paragraph (a) has been completed, and which of the following conditions applies:

(1) the crib was not identified as unsafe on the United States Consumer Product Safety Commission website;

(2) the crib was identified as unsafe on the United States Consumer Product Safety Commission website, but the license holder has taken the action directed by the United States Consumer Product Safety Commission to make the crib safe; or

(3) the crib was identified as unsafe on the United States Consumer Product Safety Commission website, and the license holder has removed the crib so that it is no longer used by or accessible to children in care.

(c) Documentation of the review completed under this subdivision shall be maintained by the license holder on site and made available to parents or guardians of children in care and the commissioner.

(d) Notwithstanding Minnesota Rules, part 9502.0425, a family child care provider that complies with this section may use a mesh-sided or fabric-sided play yard, pack and play, or playpen or crib that has not been identified as unsafe on the United States Consumer Product Safety Commission website for the care or sleeping of infants.

(e) On at least a monthly basis, the family child care license holder shall perform safety inspections of every mesh-sided or fabric-sided play yard, pack and play, or playpen used by or that is accessible to any child in care, and must document the following:

(1) there are no tears, holes, or loose or unraveling threads in mesh or fabric sides of crib;

(2) the weave of the mesh on the crib is no larger than one-fourth of an inch;

(3) no mesh fabric is unsecure or unattached to top rail and floor plate of crib;

(4) no tears or holes to top rail of crib;

- (5) the mattress floor board is not soft and does not exceed one inch thick;
- (6) the mattress floor board has no rips or tears in covering;
- (7) the mattress floor board in use is ~~a waterproof~~ an original mattress or replacement mattress provided by the manufacturer of the crib;
- (8) there are no protruding or loose rivets, metal nuts, or bolts on the crib;
- (9) there are no knobs or wing nuts on outside crib legs;
- (10) there are no missing, loose, or exposed staples; and
- (11) the latches on top and side rails used to collapse crib are secure, they lock properly, and are not loose.

(f) If a cradleboard is used in a licensed setting, the license holder must check the cradleboard not less than monthly to ensure the cradleboard is structurally sound and there are no loose or protruding parts. The license holder shall maintain written documentation of this review.

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

Sec. 21. Minnesota Statutes 2022, section 245A.16, subdivision 1, is amended to read:

Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and private agencies that have been designated or licensed by the commissioner to perform licensing functions and activities under section 245A.04 ~~and background studies for family child care under chapter 245C;~~ to recommend denial of applicants under section 245A.05; to issue correction orders, to issue variances, and recommend a conditional license under section 245A.06; or to recommend suspending or revoking a license or issuing a fine under section 245A.07, shall comply with rules and directives of the commissioner governing those functions and with this section. The following variances are excluded from the delegation of variance authority and may be issued only by the commissioner:

- (1) dual licensure of family child care and child foster care, dual licensure of child and adult foster care, and adult foster care and family child care;
- (2) adult foster care maximum capacity;
- (3) adult foster care minimum age requirement;
- (4) child foster care maximum age requirement;
- (5) variances regarding disqualified individuals ~~except that, before the implementation of NET Study 2.0, county agencies may issue variances under section 245C.30 regarding disqualified individuals when the county is responsible for conducting a consolidated reconsideration according to sections 245C.25 and 245C.27, subdivision 2, clauses (a) and (b), of a county maltreatment determination and a disqualification based on serious or recurring maltreatment;~~
- (6) the required presence of a caregiver in the adult foster care residence during normal sleeping hours;

(7) variances to requirements relating to chemical use problems of a license holder or a household member of a license holder; ~~and~~

(8) variances to section 245A.53 for a time-limited period. If the commissioner grants a variance under this clause, the license holder must provide notice of the variance to all parents and guardians of the children in care; and

(9) variances to section 245A.1435 for the use of a cradleboard for a cultural accommodation.

Except as provided in section 245A.14, subdivision 4, paragraph (e), a county agency must not grant a license holder a variance to exceed the maximum allowable family child care license capacity of 14 children.

(b) A county agency that has been designated by the commissioner to issue family child care variances must:

(1) publish the county agency's policies and criteria for issuing variances on the county's public website and update the policies as necessary; and

(2) annually distribute the county agency's policies and criteria for issuing variances to all family child care license holders in the county.

~~(e) Before the implementation of NETStudy 2.0, county agencies must report information about disqualification reconsiderations under sections 245C.25 and 245C.27, subdivision 2, paragraphs (a) and (b), and variances granted under paragraph (a), clause (5), to the commissioner at least monthly in a format prescribed by the commissioner.~~

~~(c)~~ (c) For family child care programs, the commissioner shall require a county agency to conduct one unannounced licensing review at least annually.

~~(d)~~ (d) For family adult day services programs, the commissioner may authorize licensing reviews every two years after a licensee has had at least one annual review.

~~(e)~~ (e) A license issued under this section may be issued for up to two years.

~~(f)~~ (f) During implementation of chapter 245D, the commissioner shall consider:

(1) the role of counties in quality assurance;

(2) the duties of county licensing staff; and

(3) the possible use of joint powers agreements, according to section 471.59, with counties through which some licensing duties under chapter 245D may be delegated by the commissioner to the counties.

Any consideration related to this paragraph must meet all of the requirements of the corrective action plan ordered by the federal Centers for Medicare and Medicaid Services.

~~(g)~~ (g) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or successor provisions; and section 245D.061 or successor provisions, for family child foster care programs

providing out-of-home respite, as identified in section 245D.03, subdivision 1, paragraph (b), clause (1), is excluded from the delegation of authority to county and private agencies.

~~(f)~~ (h) A county agency shall report to the commissioner, in a manner prescribed by the commissioner, the following information for a licensed family child care program:

(1) the results of each licensing review completed, including the date of the review, and any licensing correction order issued;

(2) any death, serious injury, or determination of substantiated maltreatment; and

(3) any fires that require the service of a fire department within 48 hours of the fire. The information under this clause must also be reported to the state fire marshal within two business days of receiving notice from a licensed family child care provider.

EFFECTIVE DATE. Paragraph (a), clause (9), is effective January 1, 2024, and all other changes are effective the day following final enactment.

Sec. 22. Minnesota Statutes 2022, section 245A.16, subdivision 9, is amended to read:

Subd. 9. **Licensed family foster settings.** (a) Before recommending to grant a license, deny a license under section 245A.05, or revoke a license under section 245A.07 for nondisqualifying background study information received under section 245C.05, subdivision 4, paragraph (a), clause (3), for a licensed family foster setting, a county agency or private agency that has been designated or licensed by the commissioner must review the following for the license holder, applicant, and an individual living in the household where the licensed services are provided or who is otherwise subject to a background study:

(1) the type of offenses;

(2) the number of offenses;

(3) the nature of the offenses;

(4) the age of the individual at the time of the offenses;

(5) the length of time that has elapsed since the last offense;

(6) the relationship of the offenses and the capacity to care for a child;

(7) evidence of rehabilitation;

(8) information or knowledge from community members regarding the individual's capacity to provide foster care;

(9) any available information regarding child maltreatment reports or child in need of protection or services petitions, or related cases, in which the individual has been involved or implicated, and documentation that the individual has remedied issues or conditions identified in child protection or court records that are relevant to safely caring for a child;

- (10) a statement from the study subject;
- (11) a statement from the license holder; and
- (12) other aggravating and mitigating factors.

(b) For purposes of this section, "evidence of rehabilitation" includes but is not limited to the following:

- (1) maintaining a safe and stable residence;
 - (2) continuous, regular, or stable employment;
 - (3) successful participation in an education or job training program;
 - (4) positive involvement with the community or extended family;
 - (5) compliance with the terms and conditions of probation or parole following the individual's most recent conviction;
 - (6) if the individual has had a substance use disorder, successful completion of a substance use disorder assessment, substance use disorder treatment, and recommended continuing care, if applicable, demonstrated abstinence from controlled substances, as defined in section 152.01, subdivision 4, or the establishment of a sober network;
 - (7) if the individual has had a mental illness or documented mental health issues, demonstrated completion of a mental health evaluation, participation in therapy or other recommended mental health treatment, or appropriate medication management, if applicable;
 - (8) if the individual's offense or conduct involved domestic violence, demonstrated completion of a domestic violence or anger management program, and the absence of any orders for protection or harassment restraining orders against the individual since the previous offense or conduct;
 - (9) written letters of support from individuals of good repute, including but not limited to employers, members of the clergy, probation or parole officers, volunteer supervisors, or social services workers;
 - (10) demonstrated remorse for convictions or conduct, or demonstrated positive behavior changes; and
 - (11) absence of convictions or arrests since the previous offense or conduct, including any convictions that were expunged or pardoned.
- (c) An applicant for a family foster setting license must sign all releases of information requested by the county or private licensing agency.
- (d) When licensing a relative for a family foster setting, the commissioner shall also consider the importance of maintaining the child's relationship with relatives as an additional significant factor in determining whether an application will be denied.

(e) When recommending that the commissioner deny or revoke a license, the county or private licensing agency must send a summary of the review completed according to paragraph (a), on a form developed by the commissioner, to the commissioner and include any recommendation for licensing action.

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

Sec. 23. Minnesota Statutes 2022, section 245A.16, is amended by adding a subdivision to read:

Subd. 10. Electronic checklist use by family child care licensors. County staff who perform family child care licensing functions must use the commissioner's electronic licensing checklist in the manner prescribed by the commissioner.

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

Sec. 24. Minnesota Statutes 2022, section 245A.18, subdivision 2, is amended to read:

Subd. 2. Child passenger restraint systems; training requirement. (a) Programs licensed by the Department of Human Services under this chapter and Minnesota Rules, chapter 2960, that serve a child or children under eight years of age must document training that fulfills the requirements in this subdivision. Sections 245A.60, subdivision 4, and 245A.61, subdivision 4, describe training requirements for family foster care and foster residence settings.

(b) Before a license holder, staff person, or caregiver transports a child or children under age eight in a motor vehicle, the person transporting the child must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles. ~~Training completed under this section may be used to meet initial or ongoing training under Minnesota Rules, part 2960.3070, subparts 1 and 2.~~

(c) Training required under this section must be completed at orientation or initial training and repeated at least once every five years. At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle used by the license holder to transport the child or children.

(d) Training under paragraph (c) must be provided by individuals who are certified and approved by the ~~Department of Public Safety, Office of Traffic Safety~~ within the Department of Public Safety. License holders may obtain a list of certified and approved trainers through the Department of Public Safety website or by contacting the agency.

~~(e) Notwithstanding paragraph (a), for an emergency relative placement under section 245A.035, the commissioner may grant a variance to the training required by this subdivision for a relative who completes a child seat safety check up. The child seat safety check up trainer must be approved by the Department of Public Safety, Office of Traffic Safety, and must provide one-on-one instruction on placing a child of a specific age in the exact child passenger restraint in the motor vehicle in which the child will be transported. Once granted a variance, and if all other licensing requirements are met, the relative applicant may receive a license and may transport a relative foster child younger than eight years of age. A child seat safety check up must be completed each time a child requires a different size car seat according to car seat and vehicle manufacturer guidelines. A relative license holder must complete training that meets the other requirements of this subdivision prior to placement~~

~~of another foster child younger than eight years of age in the home or prior to the renewal of the child foster care license.~~

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

Sec. 25. **[245A.211] PRONE RESTRAINT PROHIBITION.**

Subdivision 1. **Applicability.** This section applies to all programs licensed or certified under this chapter, chapters 245D, 245F, 245G, 245H, and sections 245I.20 and 245I.23. The requirements in this section are in addition to any applicable requirements for the use of holds or restraints for each license or certification type.

Subd. 2. **Definitions.** (a) "Mechanical restraint" means a restraint device that limits the voluntary movement of a person or the person's limbs.

(b) "Prone restraint" means a restraint that places a person in a face-down position with the person's chest in contact with the floor or other surface.

(c) "Restraint" means a physical hold, physical restraint, manual restraint, restraint equipment, or mechanical restraint that holds a person immobile or limits the voluntary movement of a person or the person's limbs.

Subd. 3. **Prone restraint prohibition.** (a) A license or certification holder must not use a prone restraint on any person receiving services in a program, except in the instances allowed by paragraphs (b) to (d).

(b) If a person rolls into a prone position during the use of a restraint, the person must be restored to a nonprone position as quickly as possible.

(c) If the applicable licensing requirements allow a program to use mechanical restraints, a person may be briefly held in a prone restraint for the purpose of applying mechanical restraints if the person is restored to a nonprone position as quickly as possible.

(d) If the applicable licensing requirements allow a program to use seclusion, a person may be briefly held in a prone restraint to allow staff to safely exit a seclusion room.

Subd. 4. **Contraindicated physical restraints.** A license or certification holder must not implement a restraint on a person receiving services in a program in a way that is contraindicated for any of the person's known medical or psychological conditions. Prior to using restraints on a person, the license or certification holder must assess and document a determination of any medical or psychological conditions that restraints are contraindicated for and the type of restraints that will not be used on the person based on this determination.

Sec. 26. Minnesota Statutes 2022, section 245A.52, subdivision 1, is amended to read:

Subdivision 1. **Means of escape.** (a)(1) At least one emergency escape route separate from the main exit from the space must be available in each room used for sleeping by anyone receiving licensed care, and (2) a basement used for child care. One means of escape must be a stairway or door leading to the floor of exit discharge. The other must be a door or window leading directly outside. A window used as an emergency escape route must be openable without special knowledge.

(b) In homes with construction that began before ~~May 2, 2016~~ March 31, 2020, the interior of the window leading directly outside must have a net clear opening area of not less than 4.5 square feet or 648 square inches and have minimum clear opening dimensions of 20 inches wide and 20 inches high. The net clear opening dimensions shall be the result of normal operation of the opening. The opening must be no higher than 48 inches from the floor. The height to the window may be measured from a platform if a platform is located below the window.

(c) In homes with construction that began on or after ~~May 2, 2016~~ March 31, 2020, the interior of the window leading directly outside must have minimum clear opening dimensions of 20 inches wide and 24 inches high. The net clear opening dimensions shall be the result of normal operation of the opening. The opening must be no higher than 44 inches from the floor.

~~(d)~~ Additional requirements are dependent on the distance of the openings from the ground outside the window: (1) windows or other openings with a sill height not more than 44 inches above or below the finished ground level adjacent to the opening (grade-floor emergency escape and rescue openings) must have a minimum opening of five square feet; and (2) non-grade-floor emergency escape and rescue openings must have a minimum opening of 5.7 square feet.

Sec. 27. Minnesota Statutes 2022, section 245A.52, subdivision 2, is amended to read:

Subd. 2. **Door to attached garage.** ~~Notwithstanding Minnesota Rules, part 9502.0425, subpart 5, day care residences with an attached garage are not required to have a self-closing door to the residence. The door to the residence may be~~ If there is an opening between an attached garage and a day care residence, there must be a door that is:

- (1) a solid wood bonded-core door at least 1-3/8 inches thick;
- (2) a steel insulated door if the door is at least 1-3/8 inches thick; or
- (3) a door with a fire protection rating of 20 minutes.

The separation wall on the garage side between the residence and garage must consist of 1/2 inch thick gypsum wallboard or its equivalent.

Sec. 28. Minnesota Statutes 2022, section 245A.52, subdivision 3, is amended to read:

Subd. 3. **Heating and venting systems.** (a) Notwithstanding Minnesota Rules, part 9502.0425, subpart 7, item C, items that can be ignited and support combustion, including but not limited to plastic, fabric, and wood products must not be located within:

- (1) 18 inches of a gas or fuel-oil heater or furnace; or
- (2) 36 inches of a solid-fuel-burning appliance.

(b) If a license holder produces manufacturer instructions listing a smaller distance, then the manufacturer instructions control the distance combustible items must be from gas, fuel-oil, or solid-fuel burning heaters or furnaces.

Sec. 29. Minnesota Statutes 2022, section 245A.52, subdivision 5, is amended to read:

Subd. 5. **Carbon monoxide and smoke alarms.** (a) All homes must have an approved and operational carbon monoxide alarm installed within ten feet of each room used for sleeping children in care.

(b) Smoke alarms that have been listed by the Underwriter Laboratory must be properly installed and maintained ~~on all levels including basements, but not including crawl spaces and uninhabitable attics, and in hallways outside rooms used for sleeping children in care.~~ in hallways outside of rooms used for sleeping children and on all levels, including basements but not including crawl spaces and uninhabitable attics.

(c) In homes with construction that began on or after ~~May 2, 2016~~ March 31, 2020, smoke alarms must be installed and maintained in each room used for sleeping children in care.

Sec. 30. Minnesota Statutes 2022, section 245A.52, is amended by adding a subdivision to read:

Subd. 7. **Stairways.** All stairways must meet the following conditions.

(1) Stairways of four or more steps must have handrails on at least one side.

(2) Any open area between the handrail and stair tread must be enclosed with a protective guardrail as specified in the State Building Code. At open risers, openings located more than 30 inches (762 mm), as measured vertically, to the floor or grade below shall not permit the passage of a sphere four inches (102 mm) in diameter.

(3) Gates or barriers must be used when children between the ages of six and 18 months are in care.

(4) Stairways must be well lit, in good repair, and free of clutter and obstructions.

Sec. 31. Minnesota Statutes 2022, section 245A.52, is amended by adding a subdivision to read:

Subd. 8. **Fire code variances.** When a variance is requested of the standards contained in subdivision 1, 2, 3, 4, or 5, an applicant or provider must submit written approval from the state fire marshal of the variance requested and the alternative measures identified to ensure the safety of children in care.

Sec. 32. **[245A.60] FAMILY CHILD FOSTER CARE TRAINING REQUIREMENTS.**

Subdivision 1. **Applicability.** This section applies to programs licensed to provide foster care for children in the license holder's residence. For the purposes of this section, "foster parent" means a license holder under this chapter. For the purposes of this section, "caregiver" means a person who provides services to a child according to the child's case plan in a setting licensed under Minnesota Rules, parts 2960.3000 to 2960.3340.

Subd. 2. **Orientation.** (a) Each foster parent applicant must complete a minimum of six hours of orientation before the commissioner will license the applicant. An applicant's orientation training hours do not count toward yearly training hours. The commissioner may grant a variance to the applicant regarding the number of orientation hours that this subdivision requires.

(b) The foster parent's orientation must include training about the following:

(1) emergency procedures, including evacuation routes, emergency telephone numbers, severe storm and tornado procedures, and the location of alarms and equipment;

(2) all relevant laws and rules, including this chapter; chapters 260, 260C, 260D, and 260E; Minnesota Rules, chapter 9560; and related legal issues and reporting requirements;

(3) cultural diversity, gender sensitivity, culturally specific services, cultural competence, and information about discrimination and racial bias to ensure that caregivers are culturally competent to care for foster children according to section 260C.212, subdivision 11;

(4) the foster parent's roles and responsibilities in developing and implementing the child's case plan and involvement in court and administrative reviews of the child's placement;

(5) the licensing agency's requirements;

(6) one hour relating to reasonable and prudent parenting standards for the child's participation in age-appropriate or developmentally appropriate extracurricular, social, or cultural activities according to section 260C.212, subdivision 14;

(7) two hours relating to children's mental health issues according to subdivision 3;

(8) if subdivision 4 requires, the proper use and installation of child passenger restraint systems in motor vehicles;

(9) if subdivision 5 requires, at least one hour about reducing the risk of sudden unexpected infant death and abusive head trauma from shaking infants and young children; and

(10) if subdivision 6 requires, operating medical equipment.

Subd. 3. **Mental health training.** Each foster parent prior to licensure and each caregiver prior to caring for a foster child must complete two hours of training that addresses the causes, symptoms, and key warning signs of children's mental health disorders; cultural considerations; and effective approaches to manage a child's behaviors. Each year, each foster parent and caregiver must complete at least one hour of training about children's mental health issues and treatment. A short-term substitute caregiver is exempt from this subdivision. The commissioner of human services shall approve of a mental health training curriculum that satisfies the requirements of this subdivision.

Subd. 4. **Child passenger restraint systems.** (a) Each foster parent and caregiver must satisfactorily complete training about the proper use and installation of child passenger restraint systems in motor vehicles before transporting a child younger than eight years of age in a motor vehicle.

(b) An individual who is certified and approved by the Office of Traffic Safety within the Department of Public Safety must provide training about the proper use and installation of child passenger restraint systems in motor vehicles to each foster parent and caregiver who transports a child. At a minimum, the training must address the proper use of child passenger restraint systems based on a child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle that will be transporting the child. A foster parent or caregiver who transports a child must repeat the training in this subdivision at least once every five years.

(c) Notwithstanding paragraph (a), for an emergency relative placement under section 245A.035, the commissioner may grant a variance to the training required by this subdivision to a child's relative who completes a child seat safety checkup. The Office of Traffic Safety within the Department of Public Safety must approve of the child seat safety checkup trainer and must provide one-on-one instruction to the child's relative applicant about placing a child of a specific age in the exact child passenger restraint in the motor vehicle that will be used to transport the child. Once the commissioner grants a variance to the child's relative, the child's relative may transport a relative foster child younger than eight years of age, and once the child's relative meets all other licensing requirements, the commissioner may license the child's relative applicant. The child's relative must complete a child seat safety checkup each time that the child requires a different sized car seat according to car seat and vehicle manufacturer guidelines. A relative license holder must complete training that meets the other requirements of this subdivision prior to placement of another foster child younger than eight years of age in the relative license holder's home or prior to the renewal of the relative license holder's child foster care license.

Subd. 5. Training about the risk of sudden unexpected infant death and abusive head trauma. (a) Each foster parent and caregiver who cares for an infant or a child five years of age or younger must satisfactorily complete at least one hour of training about reducing the risk of sudden unexpected infant death pursuant to section 245A.1435 and abusive head trauma from shaking infants and young children. Each foster parent and caregiver must complete this training prior to caring for an infant or a child five years of age or younger. The county or private licensing agency monitoring the foster care provider under section 245A.16 must approve of the training about reducing the risk of sudden unexpected infant death and abusive head trauma from shaking infants and young children.

(b) At a minimum, the training must address the risk factors related to sudden unexpected infant death and abusive head trauma, means of reducing the risk of sudden unexpected infant death and abusive head trauma, and license holder communication with parents regarding reducing the risk of sudden unexpected infant death and abusive head trauma.

(c) For emergency relative placements under section 245A.035, this training must be completed before a license is issued. Each foster parent and caregiver must complete the training in this subdivision at least once every five years.

Subd. 6. Training on use of medical equipment. (a) If caring for a child who relies on medical equipment to sustain the child's life or monitor the child's medical condition, each foster parent and caregiver must satisfactorily complete training to operate the child's equipment with a health care professional or an individual who provides training on the child's equipment.

(b) A foster parent or caregiver is exempt from this subdivision if:

(1) the foster parent or caregiver is currently caring for an individual who is using the same equipment in the foster home; or

(2) the foster parent or caregiver has written documentation that the foster parent or caregiver has cared for an individual who relied on the same equipment within the past six months.

Subd. 7. Fetal alcohol spectrum disorders training. Each foster parent and caregiver must complete at least one hour of training yearly on fetal alcohol spectrum disorders. A provider who

is also licensed to provide home and community-based services under chapter 245D and the provider's staff are exempt from this subdivision. A short-term substitute caregiver is exempt from this subdivision. The commissioner of human services shall approve a fetal alcohol spectrum disorders training curriculum that satisfies the requirements of this subdivision.

Subd. 8. **Yearly training requirement.** (a) Each foster parent must complete a minimum of 12 hours of training per year. If a foster parent fails to complete the required yearly training and does not show good cause why the foster parent did not complete the training, the foster parent is prohibited from accepting a new foster child placement until the foster parent completes the training. The commissioner may grant a variance to the required number of yearly training hours.

(b) Each year, each foster parent and caregiver must complete one hour of training about children's mental health issues according to subdivision 3, and one hour of training about fetal alcohol spectrum disorders, if required by subdivision 7.

(c) Each year, each foster parent and caregiver must complete training about the reporting requirements and definitions in chapter 260E, as section 245A.66 requires. Foster parents and caregivers caring for youth 18 and older in extended foster care must complete training about the reporting requirements and definitions in section 626.557, as section 245A.65, subdivision 3 requires.

(d) At least once every five years, each foster parent and caregiver must complete one hour of training about reducing the risk of sudden unexpected infant death and abusive head trauma, if required by subdivision 5.

(e) At least once every five years, each foster parent and caregiver must complete training regarding child passenger restraint systems, if required by subdivision 4.

(f) The commissioner may provide each foster parent with a nonexclusive list of eligible training topics and resources that fulfill the remaining hours of required yearly training.

Subd. 9. **Documentation of training.** (a) The licensing agency must document the trainings that this section requires on a form that the commissioner has developed.

(b) For training required under subdivision 6, the agency must retain a training and skills form on file and update the form each year for each foster care provider who completes training about caring for a child who relies on medical equipment to sustain the child's life or monitor the child's medical condition. The agency placing the child must obtain a copy of the training and skills form from the foster parent or from the agency supervising the foster parent. The agency must retain the form and any updated information on file for the placement's duration. The form must be available to the parent or guardian and the child's social worker for the social worker to make an informed placement decision. The agency must use the training and skills form that the commissioner has developed.

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

Sec. 33. **[245A.61] FOSTER RESIDENCE SETTING STAFF TRAINING REQUIREMENTS.**

Subdivision 1. **Applicability.** This section applies to foster residence settings, which is defined as foster care that a license holder licensed under this chapter provides in a home in which the license holder does not reside. Foster residence setting does not include any program licensed or certified under Minnesota Rules, parts 2960.0010 to 2960.0710. For the purposes of this section, "caregiver" means a person who provides services to a child according to the child's case plan in a setting licensed under Minnesota Rules, parts 2960.3000 to 2960.3340.

Subd. 2. **Orientation.** The license holder must ensure that each staff person attends and successfully completes at least six hours of orientation training before the staff person has unsupervised contact with a foster child. Orientation training hours are not counted toward the hours of yearly training. Orientation must include training about the following:

(1) emergency procedures including evacuation routes, emergency telephone numbers, severe storm and tornado procedures, and the location of facility alarms and equipment;

(2) all relevant laws, rules, and legal issues, including reporting requirements for maltreatment, abuse, and neglect specified in chapter 260E and section 626.557 and other reporting requirements based on the children's ages;

(3) cultural diversity, gender sensitivity, culturally specific services, and information about discrimination and racial bias to ensure that caregivers are culturally sensitive and culturally competent to care for foster children according to section 260C.212, subdivision 11;

(4) general and special needs, including disability needs, of children and families served;

(5) operational policies and procedures of the license holder;

(6) data practices requirements and issues;

(7) two hours of training about children's mental health disorders according to subdivision 3;

(8) if required by subdivision 4, the proper use and installation of child passenger restraint systems in motor vehicles;

(9) if required by subdivision 5, at least one hour of training about reducing the risk of sudden unexpected infant death and abusive head trauma from shaking infants and young children; and

(10) if required by subdivision 6, caring for a child who relies on medical equipment to sustain the child's life or monitor the child's medical condition.

Subd. 3. **Mental health training.** Prior to caring for a child, a staff person must complete two hours of training that addresses the causes, symptoms, and key warning signs of mental health disorders; cultural considerations; and effective approaches to manage a child's behaviors. A foster residence staff person must complete at least one hour of the yearly training requirement regarding children's mental health issues and treatment. The commissioner of human services shall approve a mental health training curriculum that satisfies the requirements of this subdivision.

Subd. 4. **Child passenger restraint systems.** Prior to transporting a child younger than eight years of age in a motor vehicle, a license holder, staff person, or caregiver must satisfactorily complete training about the proper use and installation of child restraint systems in motor vehicles. An

individual who is certified and approved by the Office of Traffic Safety within the Department of Public Safety must provide training to a license holder, staff person, or caregiver about the proper use and installation of child restraint systems in motor vehicles.

At a minimum, the training must address the proper use of child passenger restraint systems based on a child's size, weight, and age and the proper installation of a car seat or booster seat in the motor vehicle transporting the child. Each license holder, staff person, and caregiver transporting a child younger than eight years of age in a motor vehicle must complete the training in this subdivision at least once every five years.

Subd. 5. Training about the risk of sudden unexpected infant death and abusive head trauma. (a) A license holder who cares for an infant or a child five years of age or younger must document that each staff person has satisfactorily completed at least one hour of training about reducing the risk of sudden unexpected infant death pursuant to section 245A.1435 and abusive head trauma from shaking infants and young children. Each staff person must complete the training in this subdivision prior to caring for an infant or a child five years of age or younger. The county or private licensing agency responsible for monitoring the child foster care provider under section 245A.16 must approve of the training about reducing the risk of sudden unexpected infant death and abusive head trauma from shaking infants and young children.

(b) At a minimum, the training must address the risk factors related to sudden unexpected infant death and abusive head trauma, means of reducing the risk of sudden unexpected infant death and abusive head trauma, and license holder communication with parents regarding reducing the risk of sudden unexpected infant death and abusive head trauma from shaking infants and young children.

(c) Each staff person caring for an infant or a child five years of age or younger must complete the training in this subdivision at least once every five years.

Subd. 6. Training on use of medical equipment. (a) If caring for a child who relies on medical equipment to sustain the child's life or monitor a child's medical condition, the license holder or staff person must complete training to operate the child's equipment. A health care professional or an individual who provides training on the equipment must train the license holder or staff person about how to operate the child's equipment.

(b) A license holder is exempt from this subdivision if:

(1) the license holder is currently caring for an individual who is using the same equipment in the foster home and each staff person has received training to use the equipment; or

(2) the license holder has written documentation that, within the past six months, the license holder has cared for an individual who relied on the same equipment and each current staff person has received training to use the same equipment.

Subd. 7. Fetal alcohol spectrum disorders training. (a) For each staff person, at least one hour of their yearly training requirement in subdivision 9 must be about fetal alcohol spectrum disorders. The commissioner of human services shall approve of a fetal alcohol spectrum disorders training curriculum that satisfies the requirements of this subdivision.

(b) A provider who is also licensed to provide home and community-based services under chapter 245D and the provider's staff are exempt from this subdivision.

Subd. 8. **Prudent parenting standards training.** The license holder must have at least one on-site staff person who is trained regarding the reasonable and prudent parenting standards in section 260C.212, subdivision 14, and authorized to apply the reasonable and prudent parenting standards to decisions involving the approval of a foster child's participation in age-appropriate and developmentally appropriate extracurricular, social, or cultural activities. The trained on-site staff person is not required to be available 24 hours per day.

Subd. 9. **Yearly training plan and hours.** (a) A license holder must develop a yearly training plan for staff and volunteers. The license holder must modify training for staff and volunteers each year to meet each person's current needs and provide sufficient training to accomplish each staff person's duties. To determine the type and amount of training for each person, the license holder must consider the foster care program's target population, the program's services, and expected outcomes from the services, as well as the employee's job description, tasks, and the position's performance indicators.

(b) A full-time staff person who has direct contact with children must complete at least 18 hours of in-service training per year, including nine hours of skill development training.

(c) A part-time direct care staff person must complete sufficient training to competently care for children. The amount of training must be at least one hour of training for each 60 hours that the part-time direct care staff person has worked, up to 18 hours of training per part-time employee per year.

(d) Other foster residence staff and volunteers must complete in-service training requirements each year that are consistent with the foster residence staff and volunteers' duties.

(e) Section 245A.66 requires a license holder to ensure that all staff and volunteers have training yearly about the reporting requirements and definitions in chapter 260E.

Subd. 10. **Documentation of training.** (a) For each staff person and volunteer, the license holder must document the date, the number of training hours, and the name of the entity that provided the training.

(b) For training required under subdivision 6, the agency supervising the foster care provider must retain a training and skills form on file and update the form each year for each staff person who completes training about caring for a child who relies on medical equipment to sustain the child's life or monitor a child's medical condition. The agency placing the child must obtain a copy of the training and skills form from the foster care provider or the agency supervising the foster care provider. The placing agency must retain the form and any updated information on file for the placement's duration. The form must be available to the child's parent or the child's primary caregiver and the child's social worker to make an informed placement decision. The agency must use the training and skills form that the commissioner has developed.

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

Sec. 34. Minnesota Statutes 2022, section 245A.66, is amended by adding a subdivision to read:

Subd. 4. **Ongoing training requirement.** (a) In addition to the orientation training required by the applicable licensing rules and statutes, children's residential facility and private child-placing agency license holders must provide a training annually on the maltreatment of minors reporting requirements and definitions in chapter 260E to each mandatory reporter, as described in section 260E.06, subdivision 1.

(b) In addition to the orientation training required by the applicable licensing rules and statutes, all family child foster care license holders and caregivers and foster residence setting staff and volunteers that are mandatory reporters as described in section 260E.06, subdivision 1, must complete training each year on the maltreatment of minors reporting requirements and definitions in chapter 260E.

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

Sec. 35. Minnesota Statutes 2022, section 245C.02, subdivision 6a, is amended to read:

Subd. 6a. **Child care background study subject.** (a) "Child care background study subject" means an individual who is affiliated with a licensed child care center, certified license-exempt child care center, licensed family child care program, or legal nonlicensed child care provider authorized under chapter 119B, and who is:

- (1) employed by a child care provider for compensation;
- (2) assisting in the care of a child for a child care provider;
- (3) a person applying for licensure, certification, or enrollment;
- (4) a controlling individual as defined in section 245A.02, subdivision 5a;
- (5) an individual 13 years of age or older who lives in the household where the licensed program will be provided and who is not receiving licensed services from the program;
- (6) an individual ten to 12 years of age who lives in the household where the licensed services will be provided when the commissioner has reasonable cause as defined in section 245C.02, subdivision 15;
- (7) an individual who, without providing direct contact services at a licensed program, certified program, or program authorized under chapter 119B, may have unsupervised access to a child receiving services from a program when the commissioner has reasonable cause as defined in section 245C.02, subdivision 15; or
- (8) a volunteer, contractor providing services for hire in the program, prospective employee, or other individual who has unsupervised physical access to a child served by a program and who is not under supervision by an individual listed in clause (1) or (5), regardless of whether the individual provides program services.

(b) Notwithstanding paragraph (a), an individual who is providing services that are not part of the child care program is not required to have a background study if:

(1) the child receiving services is signed out of the child care program for the duration that the services are provided;

(2) the licensed child care center, certified license-exempt child care center, licensed family child care program, or legal nonlicensed child care provider authorized under chapter 119B has obtained advanced written permission from the parent authorizing the child to receive the services, which is maintained in the child's record;

(3) the licensed child care center, certified license-exempt child care center, licensed family child care program, or legal nonlicensed child care provider authorized under chapter 119B maintains documentation on site that identifies the individual service provider and the services being provided; and

(4) the licensed child care center, certified license-exempt child care center, licensed family child care program, or legal nonlicensed child care provider authorized under chapter 119B ensures that the service provider does not have unsupervised access to a child not receiving the provider's services.

Sec. 36. Minnesota Statutes 2022, section 245C.02, subdivision 11c, is amended to read:

Subd. 11c. **Entity.** "Entity" means any program, organization, license holder, or agency ~~initiating~~ required to initiate or submit a background study.

Sec. 37. Minnesota Statutes 2022, section 245C.02, is amended by adding a subdivision to read:

Subd. 11f. **Employee.** "Employee" means an individual who provides services or seeks to provide services for or through the entity with which they are required to be affiliated in NETStudy 2.0 and who is subject to oversight by the entity, which includes but is not limited to continuous, direct supervision by the entity and being subject to immediate removal from providing direct care services by the entity when required.

Sec. 38. Minnesota Statutes 2022, section 245C.02, is amended by adding a subdivision to read:

Subd. 22. **Volunteer.** "Volunteer" means an individual who provides or seeks to provide services for or through an entity without direct compensation for services provided, is required to be affiliated in NETStudy 2.0 and is subject to oversight by the entity, including but not limited to continuous, direct supervision and immediate removal from providing direct care services when required.

Sec. 39. Minnesota Statutes 2022, section 245C.03, subdivision 1, is amended to read:

Subdivision 1. **Licensed programs.** (a) The commissioner shall conduct a background study on:

(1) the person or persons applying for a license;

(2) an individual age 13 and over living in the household where the licensed program will be provided who is not receiving licensed services from the program;

(3) current or prospective employees ~~or contractors~~ of the applicant or license holder who will have direct contact with persons served by the facility, agency, or program;

(4) volunteers or student volunteers who will have direct contact with persons served by the program to provide program services if the contact is not under the continuous, direct supervision by an individual listed in clause (1) or (3);

(5) an individual age ten to 12 living in the household where the licensed services will be provided when the commissioner has reasonable cause as defined in section 245C.02, subdivision 15;

(6) an individual who, without providing direct contact services at a licensed program, may have unsupervised access to children or vulnerable adults receiving services from a program, when the commissioner has reasonable cause as defined in section 245C.02, subdivision 15;

(7) all controlling individuals as defined in section 245A.02, subdivision 5a;

(8) notwithstanding the other requirements in this subdivision, child care background study subjects as defined in section 245C.02, subdivision 6a; and

(9) notwithstanding clause (3), for children's residential facilities and foster residence settings, any adult working in the facility, whether or not the individual will have direct contact with persons served by the facility.

(b) For child foster care when the license holder resides in the home where foster care services are provided, a short-term substitute caregiver providing direct contact services for a child for less than 72 hours of continuous care is not required to receive a background study under this chapter.

(c) This subdivision applies to the following programs that must be licensed under chapter 245A:

(1) adult foster care;

(2) child foster care;

(3) children's residential facilities;

(4) family child care;

(5) licensed child care centers;

(6) licensed home and community-based services under chapter 245D;

(7) residential mental health programs for adults;

(8) substance use disorder treatment programs under chapter 245G;

(9) withdrawal management programs under chapter 245F;

(10) adult day care centers;

(11) family adult day services;

~~(12) independent living assistance for youth;~~

~~(13)~~ (12) detoxification programs;

~~(14)~~ (13) community residential settings; and

~~(15)~~ (14) intensive residential treatment services and residential crisis stabilization under chapter 245I.

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

Sec. 40. Minnesota Statutes 2022, section 245C.03, subdivision 1a, is amended to read:

Subd. 1a. **Procedure.** (a) Individuals and organizations that are required under this section to have or initiate background studies shall comply with the requirements of this chapter.

(b) All studies conducted under this section shall be conducted according to sections 299C.60 to 299C.64, including the consent and self-disclosure required in section 299C.62, subdivision 2. This requirement does not apply to subdivisions 1, paragraph (c), clauses (2) to (5), and 6a.

Sec. 41. Minnesota Statutes 2022, section 245C.03, subdivision 4, is amended to read:

Subd. 4. **Personnel pool agencies; temporary personnel agencies; educational programs; professional services agencies.** (a) The commissioner also may conduct studies on individuals specified in subdivision 1, paragraph (a), clauses (3) and (4), when the studies are initiated by:

(1) personnel pool agencies;

(2) temporary personnel agencies;

(3) educational programs that train individuals by providing direct contact services in licensed programs; and

(4) professional services agencies that are not licensed and ~~which contract~~ that work with licensed programs to provide direct contact services or individuals who provide direct contact services.

(b) Personnel pool agencies, temporary personnel agencies, and professional services agencies must employ the individuals providing direct care services for children, people with disabilities, or the elderly. Individuals must be affiliated in NETStudy 2.0 and subject to oversight by the entity, which includes but is not limited to continuous, direct supervision by the entity and being subject to immediate removal from providing direct care services when required.

Sec. 42. Minnesota Statutes 2022, section 245C.03, subdivision 5, is amended to read:

Subd. 5. **Other state agencies.** The commissioner shall conduct background studies on applicants and license holders under the jurisdiction of other state agencies who are required in other statutory sections to initiate background studies under this chapter, including the applicant's or license holder's employees, ~~contractors,~~ and volunteers when required under other statutory sections.

Sec. 43. Minnesota Statutes 2022, section 245C.03, subdivision 5a, is amended to read:

Subd. 5a. **Facilities serving children or adults licensed or regulated by the Department of Health.** (a) Except as specified in paragraph (b), the commissioner shall conduct background studies of:

(1) individuals providing services who have direct contact, as defined under section 245C.02, subdivision 11, with patients and residents in hospitals, boarding care homes, outpatient surgical centers licensed under sections 144.50 to 144.58; nursing homes and home care agencies licensed under chapter 144A; assisted living facilities and assisted living facilities with dementia care licensed under chapter 144G; and board and lodging establishments that are registered to provide supportive or health supervision services under section 157.17;

(2) individuals specified in subdivision 2 who provide direct contact services in a nursing home or a home care agency licensed under chapter 144A; an assisted living facility or assisted living facility with dementia care licensed under chapter 144G; or a boarding care home licensed under sections 144.50 to 144.58. If the individual undergoing a study resides outside of Minnesota, the study must include a check for substantiated findings of maltreatment of adults and children in the individual's state of residence when the state makes the information available;

(3) all other employees in assisted living facilities or assisted living facilities with dementia care licensed under chapter 144G, nursing homes licensed under chapter 144A, and boarding care homes licensed under sections 144.50 to 144.58. A disqualification of an individual in this section shall disqualify the individual from positions allowing direct contact with or access to patients or residents receiving services. "Access" means physical access to a client or the client's personal property without continuous, direct supervision as defined in section 245C.02, subdivision 8, when the employee's employment responsibilities do not include providing direct contact services;

(4) individuals employed by a supplemental nursing services agency, as defined under section 144A.70, who are providing services in health care facilities;

(5) controlling persons of a supplemental nursing services agency, as defined by section 144A.70; and

(6) license applicants, owners, managerial officials, and controlling individuals who are required under section 144A.476, subdivision 1, or 144G.13, subdivision 1, to undergo a background study under this chapter, regardless of the licensure status of the license applicant, owner, managerial official, or controlling individual.

(b) ~~The commissioner of human services shall not conduct~~ An entity shall not initiate a background study on any individual identified in paragraph (a), clauses (1) to (5), if the individual has a valid license issued by a health-related licensing board as defined in section 214.01, subdivision 2, and has completed the criminal background check as required in section 214.075. An entity that is affiliated with individuals who meet the requirements of this paragraph must separate those individuals from the entity's roster for NETStudy 2.0. The Department of Human Services is not liable for conducting background studies that have been submitted or not removed from the roster in violation of this provision.

(c) If a facility or program is licensed by the Department of Human Services and the Department of Health and is subject to the background study provisions of this chapter, the Department of Human

Services is solely responsible for the background studies of individuals in the jointly licensed program.

(d) The commissioner of health shall review and make decisions regarding reconsideration requests, including whether to grant variances, according to the procedures and criteria in this chapter. The commissioner of health shall inform the requesting individual and the Department of Human Services of the commissioner of health's decision regarding the reconsideration. The commissioner of health's decision to grant or deny a reconsideration of a disqualification is a final administrative agency action.

Sec. 44. Minnesota Statutes 2022, section 245C.031, subdivision 1, is amended to read:

Subdivision 1. **Alternative background studies.** (a) The commissioner shall conduct an alternative background study of individuals listed in this section.

(b) Notwithstanding other sections of this chapter, all alternative background studies except subdivision 12 shall be conducted according to this section and with sections 299C.60 to 299C.64, including the consent and self-disclosure required in section 299C.62, subdivision 2.

(c) All terms in this section shall have the definitions provided in section 245C.02.

(d) The entity that submits an alternative background study request under this section shall submit the request to the commissioner according to section 245C.05.

(e) The commissioner shall comply with the destruction requirements in section 245C.051.

(f) Background studies conducted under this section are subject to the provisions of section 245C.32.

(g) The commissioner shall forward all information that the commissioner receives under section 245C.08 to the entity that submitted the alternative background study request under subdivision 2. The commissioner shall not make any eligibility determinations regarding background studies conducted under this section.

Sec. 45. Minnesota Statutes 2022, section 245C.031, subdivision 4, is amended to read:

Subd. 4. **Applicants, licensees, and other occupations regulated by the commissioner of health.** The commissioner shall conduct an alternative background study, including a check of state data, and a national criminal history records check of the following individuals. For studies under this section, the following persons shall complete a consent form and criminal history disclosure form:

(1) An applicant for initial licensure, temporary licensure, or relicensure after a lapse in licensure as an audiologist or speech-language pathologist or an applicant for initial certification as a hearing instrument dispenser who must submit to a background study under section 144.0572.

(2) An applicant for a renewal license or certificate as an audiologist, speech-language pathologist, or hearing instrument dispenser who was licensed or obtained a certificate before January 1, 2018.

Sec. 46. Minnesota Statutes 2022, section 245C.05, subdivision 1, is amended to read:

Subdivision 1. **Individual studied.** (a) The individual who is the subject of the background study must provide the applicant, license holder, or other entity under section 245C.04 with sufficient information to ensure an accurate study, including:

(1) the individual's first, middle, and last name and all other names by which the individual has been known;

(2) current home address, city, and state of residence;

(3) current zip code;

(4) sex;

(5) date of birth;

(6) driver's license number or state identification number or, for those without a driver's license or state identification card, an acceptable form of identification as determined by the commissioner; and

(7) upon implementation of NETStudy 2.0, the home address, city, county, and state of residence for the past five years.

(b) Every subject of a background study conducted or initiated by counties or private agencies under this chapter must also provide the home address, city, county, and state of residence for the past five years.

(c) Every subject of a background study related to private agency adoptions or related to child foster care licensed through a private agency, who is 18 years of age or older, shall also provide the commissioner a signed consent for the release of any information received from national crime information databases to the private agency that initiated the background study.

(d) The subject of a background study shall provide fingerprints and a photograph as required in subdivision 5.

(e) The subject of a background study shall submit a completed criminal and maltreatment history records check consent form and criminal history disclosure form for applicable national and state level record checks.

Sec. 47. Minnesota Statutes 2022, section 245C.05, is amended by adding a subdivision to read:

Subd. 8. **Study submitted.** The entity with which the background study subject is seeking affiliation shall initiate the background study in the NETStudy 2.0 system.

Sec. 48. Minnesota Statutes 2022, section 245C.07, is amended to read:

245C.07 STUDY SUBJECT AFFILIATED WITH MULTIPLE FACILITIES.

(a) Subject to the conditions in paragraph (d), when a license holder, applicant, or other entity owns multiple programs or services that are licensed by the Department of Human Services, Department of Health, or Department of Corrections, only one background study is required for an

individual who provides direct contact services in one or more of the licensed programs or services if:

(1) the license holder designates one individual with one address and telephone number as the person to receive sensitive background study information for the multiple licensed programs or services that depend on the same background study; and

(2) the individual designated to receive the sensitive background study information is capable of determining, upon request of the department, whether a background study subject is providing direct contact services in one or more of the license holder's programs or services and, if so, at which location or locations.

(b) When a license holder maintains background study compliance for multiple licensed programs according to paragraph (a), and one or more of the licensed programs closes, the license holder shall immediately notify the commissioner which staff must be transferred to an active license so that the background studies can be electronically paired with the license holder's active program.

(c) When a background study is being initiated by a licensed program or service or a foster care provider that is also licensed under chapter 144G, a study subject affiliated with multiple licensed programs or services may attach to the background study form a cover letter indicating the additional names of the programs or services, addresses, and background study identification numbers.

When the commissioner receives a notice, the commissioner shall notify each program or service identified by the background study subject of the study results.

The background study notice the commissioner sends to the subsequent agencies shall satisfy those programs' or services' responsibilities for initiating a background study on that individual.

(d) If a background study was conducted on an individual related to child foster care and the requirements under paragraph (a) are met, the background study is transferable across all licensed programs. If a background study was conducted on an individual under a license other than child foster care and the requirements under paragraph (a) are met, the background study is transferable to all licensed programs except child foster care.

(e) The provisions of this section that allow a single background study in one or more licensed programs or services do not apply to background studies submitted by adoption agencies, supplemental nursing services agencies, personnel pool agencies, educational programs, professional services agencies, temporary personnel agencies, and unlicensed personal care provider organizations.

(f) For an entity operating under NETStudy 2.0, the entity's active roster must be the system used to document when a background study subject is affiliated with multiple entities. For a background study to be transferable:

(1) the background study subject must be on and moving to a roster for which the person designated to receive sensitive background study information is the same; and

(2) the same entity must own or legally control both the roster from which the transfer is occurring and the roster to which the transfer is occurring. For an entity that holds or controls multiple licenses, or unlicensed personal care provider organizations, there must be a common highest level entity

that has a legally identifiable structure that can be verified through records available from the secretary of state.

Sec. 49. Minnesota Statutes 2022, section 245C.10, subdivision 4, is amended to read:

Subd. 4. **Temporary personnel agencies, personnel pool agencies, educational programs, and professional services agencies.** The commissioner shall recover the cost of the background studies initiated by temporary personnel agencies, personnel pool agencies, educational programs, and professional services agencies that initiate background studies under section 245C.03, subdivision 4, through a fee of no more than \$42 per study charged to the agency. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 50. Minnesota Statutes 2022, section 245C.30, subdivision 2, is amended to read:

Subd. 2. **Disclosure of reason for disqualification.** (a) The commissioner may not grant a variance for a disqualified individual unless the applicant, license-exempt child care center certification holder, or license holder requests the variance and the disqualified individual provides written consent for the commissioner to disclose to the applicant, license-exempt child care center certification holder, or license holder the reason for the disqualification.

(b) This subdivision does not apply to programs licensed to provide family child care for children, foster care for children in the provider's own home, or foster care or day care services for adults in the provider's own home. ~~When the commissioner grants a variance for a disqualified individual in connection with a license to provide the services specified in this paragraph, the disqualified individual's consent is not required to disclose the reason for the disqualification to the license holder in the variance issued under subdivision 1, provided that the commissioner may not disclose the reason for the disqualification if the disqualification is based on a felony-level conviction for a drug-related offense within the past five years.~~

Sec. 51. Minnesota Statutes 2022, section 245C.31, subdivision 1, is amended to read:

Subdivision 1. **Board determines disciplinary or corrective action.** ~~(a)~~ The commissioner shall notify a health-related licensing board as defined in section 214.01, subdivision 2, if the commissioner determines that an individual who is licensed by the health-related licensing board and who is included on the board's roster list provided in accordance with subdivision 3a is responsible for substantiated maltreatment under section 626.557 or chapter 260E, in accordance with subdivision 2. Upon receiving notification, the health-related licensing board shall make a determination as to whether to impose disciplinary or corrective action under chapter 214.

~~(b) This section does not apply to a background study of an individual regulated by a health-related licensing board if the individual's study is related to child foster care, adult foster care, or family child care licensure.~~

Sec. 52. Minnesota Statutes 2022, section 245C.33, subdivision 4, is amended to read:

Subd. 4. **Information commissioner reviews.** (a) The commissioner shall review the following information regarding the background study subject:

(1) the information under section 245C.08, subdivisions 1, 3, and 4;

(2) information from the child abuse and neglect registry for any state in which the subject has resided for the past five years; and

(3) information from national crime information databases, when required under section 245C.08.

(b) The commissioner shall provide any information collected under this subdivision to the county or private agency that initiated the background study. The commissioner shall also provide the agency:

(1) with a notice whether the information collected shows that the subject of the background study has a conviction listed in United States Code, title 42, section 671(a)(20)(A); ~~and~~.

~~(2) for background studies conducted under subdivision 1, paragraph (a), the date of all adoption-related background studies completed on the subject by the commissioner after June 30, 2007, and the name of the county or private agency that initiated the adoption-related background study.~~

Sec. 53. Minnesota Statutes 2022, section 245E.06, subdivision 3, is amended to read:

Subd. 3. **Appeal of department action.** A provider's rights related to the department's action taken under this chapter against a provider are established in sections 119B.16 ~~and~~, 119B.161, and 119B.162.

Sec. 54. Minnesota Statutes 2022, section 245G.13, subdivision 2, is amended to read:

Subd. 2. **Staff development.** (a) A license holder must ensure that each staff member has the training described in this subdivision.

(b) Each staff member must be trained every two years in:

(1) client confidentiality rules and regulations and client ethical boundaries; and

(2) emergency procedures and client rights as specified in sections 144.651, 148F.165, and 253B.03.

(c) Annually each staff member with direct contact must be trained on mandatory reporting as specified in sections 245A.65, 626.557, and 626.5572, and chapter 260E, including specific training covering the license holder's policies for obtaining a release of client information.

(d) Upon employment and annually thereafter, each staff member with direct contact must receive training on HIV minimum standards according to section 245A.19.

(e) The license holder must ensure that each mandatory reporter, as described in section 260E.06, subdivision 1, is trained on the maltreatment of minors reporting requirements and definitions in chapter 260E before the mandatory reporter has direct contact, as defined in section 245C.02, subdivision 11, with a person served by the program.

~~(e)~~ (f) A treatment director, supervisor, nurse, or counselor must have a minimum of 12 hours of training in co-occurring disorders that includes competencies related to philosophy, trauma-informed care, screening, assessment, diagnosis and person-centered treatment planning,

documentation, programming, medication, collaboration, mental health consultation, and discharge planning. A new staff member who has not obtained the training must complete the training within six months of employment. A staff member may request, and the license holder may grant, credit for relevant training obtained before employment, which must be documented in the staff member's personnel file.

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

Sec. 55. Minnesota Statutes 2022, section 245H.03, is amended by adding a subdivision to read:

Subd. 5. Notification required. (a) A certification holder must notify the commissioner, in a manner prescribed by the commissioner, and obtain the commissioner's approval before making any changes:

(1) to the certification holder as defined in section 245H.01, subdivision 4;

(2) to the authorized agent as defined in section 245A.02, subdivision 3b;

(3) to the certification holder information on file with the secretary of state or Department of Revenue;

(4) in the location of the program certified under this chapter;

(5) to the ages of children served by the program; or

(6) to the certified center's schedule including its:

(i) yearly schedule;

(ii) hours of operation; or

(iii) days of the week it is open.

(b) When, for reasons beyond the certification holder's control, a certification holder cannot provide the commissioner with prior notice of the changes in paragraph (a), the certification holder must notify the commissioner by the tenth business day after the change and must provide any additional information requested by the commissioner.

(c) When a certification holder notifies the commissioner of a change to the certification holder information on file with the secretary of state, the certification holder must provide documentation of the change.

(d) Upon implementation of the provider licensing and reporting hub, certification holders must enter and update information in the hub in a manner prescribed by the commissioner.

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

Sec. 56. Minnesota Statutes 2022, section 245H.05, is amended to read:

245H.05 MONITORING AND INSPECTIONS.

(a) The commissioner must conduct an on-site inspection of a certified license-exempt child care center at least ~~annually~~ once each calendar year to determine compliance with the health, safety, and fire standards specific to a certified license-exempt child care center.

(b) No later than November 19, 2017, the commissioner shall make publicly available on the department's website the results of inspection reports for all certified centers including the number of deaths, serious injuries, and instances of substantiated child maltreatment that occurred in certified centers each year.

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

Sec. 57. Minnesota Statutes 2022, section 245H.08, subdivision 4, is amended to read:

Subd. 4. **Maximum group size.** (a) For a child six weeks old through 16 months old, the maximum group size shall be no more than eight children.

(b) For a child 16 months old through 33 months old, the maximum group size shall be no more than 14 children.

(c) For a child 33 months old through prekindergarten, a maximum group size shall be no more than 20 children.

(d) For a child in kindergarten through 13 years old, a maximum group size shall be no more than 30 children.

(e) The maximum group size applies at all times except during group activity coordination time not exceeding 15 minutes, during a meal, outdoor activity, field trip, nap and rest, and special activity including a film, guest speaker, indoor large muscle activity, or holiday program.

(f) Notwithstanding paragraph (d), a certified center may continue to serve a child 14 years of age or older if one of the following conditions is true:

(1) the child remains eligible for child care assistance under section 119B.09, subdivision 1, paragraph (e); or

(2) the certified center serves only school-age children in a setting that has students enrolled in no grade higher than 8th grade.

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

Sec. 58. Minnesota Statutes 2022, section 245H.08, subdivision 5, is amended to read:

Subd. 5. **Ratios.** (a) The minimally acceptable staff-to-child ratios are:

six weeks old through 16 months old	1:4
16 months old through 33 months old	1:7
33 months old through prekindergarten	1:10
kindergarten through 13 years old	1:15

(b) Kindergarten includes a child of sufficient age to have attended the first day of kindergarten or who is eligible to enter kindergarten within the next four months.

(c) For mixed groups, the ratio for the age group of the youngest child applies.

(d) Notwithstanding paragraph (a), a certified center may continue to serve a child 14 years of age or older if one of the following conditions is true:

(1) the child remains eligible for child care assistance under section 119B.09, subdivision 1, paragraph (e); or

(2) the certified center serves only school-age children in a setting that has students enrolled in no grade higher than 8th grade.

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

Sec. 59. Minnesota Statutes 2022, section 245H.13, subdivision 3, is amended to read:

Subd. 3. **Administration of medication.** (a) A certified center that chooses to administer medicine must meet the requirements in this subdivision.

(b) The certified center must obtain written permission from the child's parent or legal guardian before administering prescription medicine, nonprescription medicine, diapering product, sunscreen lotion, and insect repellent.

(c) The certified center must administer nonprescription medicine, diapering product, sunscreen lotion, and insect repellent according to the manufacturer's instructions unless provided written instructions by a licensed health professional to use a product differently.

(d) The certified center must obtain and follow written instructions from the prescribing health professional before administering prescription medicine. Medicine with the child's first and last name and current prescription information on the label is considered written instructions.

(e) The certified center must ensure all prescription and nonprescription medicine is:

(1) kept in the medicine's original container with a legible label stating the child's first and last name;

(2) given only to the child whose name is on the label;

(3) not given after an expiration date on the label; and

(4) returned to the child's parent or legal guardian or destroyed, if unused.

(f) The certified center must document in the child's record the administration of prescription and nonprescription medication, including the child's first and last name; the name of the medication or prescription number; the date, time, and dosage; and the name and signature of the person who administered the medicine. This documentation must be available to the child's parent or legal guardian.

(g) The certified center must store prescription and nonprescription medicines, insect repellents, and diapering products according to directions on the original container.

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

Sec. 60. Minnesota Statutes 2022, section 245H.13, subdivision 7, is amended to read:

Subd. 7. **Risk reduction plan.** (a) The certified center must develop a risk reduction plan that identifies risks to children served by the child care center. The assessment of risk must include risks presented by (1) the physical plant where the certified services are provided, including electrical hazards; and (2) the environment, including the proximity to busy roads and bodies of water.

(b) The certification holder must establish policies and procedures to minimize identified risks. After any change to the risk reduction plan, the certification holder must inform staff of the change in the risk reduction plan and document that staff were informed of the change.

(c) If middle-school-age children are enrolled in the center and combined with elementary children, the certification holder must establish policies and procedures to ensure adequate supervision as defined in subdivision 10 when children are grouped together.

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

Sec. 61. Minnesota Statutes 2022, section 245H.13, subdivision 9, is amended to read:

Subd. 9. **Behavior guidance.** The certified center must ensure that staff and volunteers use positive behavior guidance and do not subject children to:

(1) corporal punishment, including but not limited to rough handling, shoving, hair pulling, ear pulling, shaking, slapping, kicking, biting, pinching, hitting, and spanking;

(2) humiliation;

(3) abusive language;

(4) the use of mechanical restraints, including tying;

(5) the use of physical restraints other than to physically hold a child when containment is necessary to protect a child or others from harm; ~~or~~

(6) prone restraints, as prohibited by section 245A.211; or

~~(6)~~ (7) the withholding or forcing of food and other basic needs.

Sec. 62. Minnesota Statutes 2022, section 256.9685, subdivision 1a, is amended to read:

Subd. 1a. **Administrative reconsideration.** Notwithstanding section 256B.04, subdivision 15, the commissioner shall establish an administrative reconsideration process for appeals of inpatient hospital services determined to be medically unnecessary. A physician, advanced practice registered nurse, physician assistant, or hospital may request a reconsideration of the decision that inpatient hospital services are not medically necessary by submitting a written request for review to the

commissioner within ~~30~~ 45 calendar days after receiving the date of the notice of the decision was mailed. The request for reconsideration process shall take place prior to the procedures of subdivision 1b and shall be conducted be reviewed by the at least one medical review agent that is independent of the case under reconsideration. The medical review agent shall make a recommendation to the commissioner. The commissioner's decision on reconsideration is final and not subject to appeal under chapter 14.

Sec. 63. Minnesota Statutes 2022, section 256.9685, subdivision 1b, is amended to read:

Subd. 1b. **Appeal of reconsideration.** ~~Notwithstanding section 256B.72, the commissioner may recover inpatient hospital payments for services that have been determined to be medically unnecessary after the reconsideration and determinations. A physician, advanced practice registered nurse, physician assistant, or hospital may appeal the result of the reconsideration process by submitting a written request for review to the commissioner within 30 days after receiving notice of the action. The commissioner shall review the medical record and information submitted during the reconsideration process and the medical review agent's basis for the determination that the services were not medically necessary for inpatient hospital services. The commissioner shall issue an order upholding or reversing the decision of the reconsideration process based on the review. The commissioner's decision under subdivision 1a is appealable by petition for writ of certiorari under chapter 606.~~

Sec. 64. Minnesota Statutes 2022, section 256.9686, is amended by adding a subdivision to read:

Subd. 7a. **Medical review agent.** "Medical review agent" means the representative of the commissioner who is authorized by the commissioner to administer medical record reviews; conduct administrative reconsiderations as defined by section 256.9685, subdivision 1a; and perform other functions as stipulated in the terms of the agent's contract with the department. Medical records reviews and administrative reconsiderations will be performed by medical professionals within their scope of expertise, including but not limited to physicians, physician assistants, advanced practice registered nurses, and registered nurses. The medical professional performing the review or reconsideration must be on staff with the medical review agent, in good standing, and licensed to practice in the state where the medical professional resides.

Sec. 65. Minnesota Statutes 2022, section 256B.04, subdivision 15, is amended to read:

Subd. 15. **Utilization review.** (a) Establish on a statewide basis a new program to safeguard against unnecessary or inappropriate use of medical assistance services, against excess payments, against unnecessary or inappropriate hospital admissions or lengths of stay, and against underutilization of services in prepaid health plans, long-term care facilities or any health care delivery system subject to fixed rate reimbursement. In implementing the program, the state agency shall utilize both prepayment and postpayment review systems to determine if utilization is reasonable and necessary. The determination of whether services are reasonable and necessary shall be made by the commissioner in consultation with a professional services advisory group or health care consultant appointed by the commissioner.

(b) Contracts entered into for purposes of meeting the requirements of this subdivision shall not be subject to the set-aside provisions of chapter 16C.

(c) A recipient aggrieved by the commissioner's termination of services or denial of future services may appeal pursuant to section 256.045. Unless otherwise provided by law, a vendor aggrieved by the commissioner's determination that services provided were not reasonable or necessary may appeal pursuant to the contested case procedures of chapter 14. To appeal, the vendor shall notify the commissioner in writing within 30 days of receiving the commissioner's notice. The appeal request shall specify each disputed item, the reason for the dispute, an estimate of the dollar amount involved for each disputed item, the computation that the vendor believes is correct, the authority in statute or rule upon which the vendor relies for each disputed item, the name and address of the person or firm with whom contacts may be made regarding the appeal, and other information required by the commissioner.

(d) The commissioner may select providers to provide case management services to recipients who use health care services inappropriately or to recipients who are eligible for other managed care projects. The providers shall be selected based upon criteria that may include a comparison with a peer group of providers related to the quality, quantity, or cost of health care services delivered or a review of sanctions previously imposed by health care services programs or the provider's professional licensing board.

Sec. 66. Minnesota Statutes 2022, section 256B.064, is amended to read:

256B.064 SANCTIONS; MONETARY RECOVERY.

Subdivision 1. **Terminating payments to ineligible ~~vendors~~ individuals or entities.** The commissioner may terminate payments under this chapter to any person or facility that, under applicable federal law or regulation, has been determined to be ineligible for payments under title XIX of the Social Security Act.

Subd. 1a. **Grounds for sanctions ~~against vendors~~.** (a) The commissioner may impose sanctions against a vendor of medical care any individual or entity that receives payments from medical assistance or provides goods or services for which payment is made from medical assistance for any of the following: (1) fraud, theft, or abuse in connection with the provision of ~~medical care~~ goods and services to recipients of public assistance for which payment is made from medical assistance; (2) a pattern of presentment of false or duplicate claims or claims for services not medically necessary; (3) a pattern of making false statements of material facts for the purpose of obtaining greater compensation than that to which the ~~vendor~~ individual or entity is legally entitled; (4) suspension or termination as a Medicare vendor; (5) refusal to grant the state agency access during regular business hours to examine all records necessary to disclose the extent of services provided to program recipients and appropriateness of claims for payment; (6) failure to repay an overpayment or a fine finally established under this section; (7) failure to correct errors in the maintenance of health service or financial records for which a fine was imposed or after issuance of a warning by the commissioner; and (8) any reason for which a ~~vendor~~ individual or entity could be excluded from participation in the Medicare program under section 1128, 1128A, or 1866(b)(2) of the Social Security Act. For the purposes of this section, goods or services for which payment is made from medical assistance includes but is not limited to care and services identified in section 256B.0625 or provided pursuant to any federally approved waiver.

(b) The commissioner may impose sanctions against a pharmacy provider for failure to respond to a cost of dispensing survey under section 256B.0625, subdivision 13e, paragraph (h).

Subd. 1b. **Sanctions available.** The commissioner may impose the following sanctions for the conduct described in subdivision 1a: suspension or withholding of payments to ~~a vendor~~ an individual or entity and suspending or terminating participation in the program, or imposition of a fine under subdivision 2, paragraph (f). When imposing sanctions under this section, the commissioner shall consider the nature, chronicity, or severity of the conduct and the effect of the conduct on the health and safety of persons served by the ~~vendor~~ individual or entity. The commissioner shall suspend a ~~vendor's~~ an individual's or entity's participation in the program for a minimum of five years if the ~~vendor~~ individual or entity is convicted of a crime, received a stay of adjudication, or entered a court-ordered diversion program for an offense related to a provision of a health service under medical assistance, including a federally approved waiver, or health care fraud. Regardless of imposition of sanctions, the commissioner may make a referral to the appropriate state licensing board.

Subd. 1c. **Grounds for and methods of monetary recovery.** (a) The commissioner may obtain monetary recovery from ~~a vendor who~~ an individual or entity that has been improperly paid by the department either as a result of conduct described in subdivision 1a or as a result of ~~a vendor or department~~ an error by the individual or entity submitting the claim or by the department, regardless of whether the error was intentional. Patterns need not be proven as a precondition to monetary recovery of erroneous or false claims, duplicate claims, claims for services not medically necessary, or claims based on false statements.

(b) The commissioner may obtain monetary recovery using methods including but not limited to the following: assessing and recovering money improperly paid and debiting from future payments any money improperly paid. The commissioner shall charge interest on money to be recovered if the recovery is to be made by installment payments or debits, except when the monetary recovery is of an overpayment that resulted from a department error. The interest charged shall be the rate established by the commissioner of revenue under section 270C.40.

Subd. 1d. **Investigative costs.** The commissioner may seek recovery of investigative costs from any ~~vendor of medical care or services who~~ individual or entity that willfully submits a claim for reimbursement for services that the ~~vendor~~ individual or entity knows, or reasonably should have known, is a false representation and that results in the payment of public funds for which the ~~vendor~~ individual or entity is ineligible. Billing errors that result in unintentional overcharges shall not be grounds for investigative cost recoupment.

Subd. 2. **Imposition of monetary recovery and sanctions.** (a) The commissioner shall determine any monetary amounts to be recovered and sanctions to be imposed upon ~~a vendor of medical care~~ an individual or entity under this section. Except as provided in paragraphs (b) and (d), neither a monetary recovery nor a sanction will be imposed by the commissioner without prior notice and an opportunity for a hearing, according to chapter 14, on the commissioner's proposed action, provided that the commissioner may suspend or reduce payment to ~~a vendor of medical care~~ an individual or entity, except a nursing home or convalescent care facility, after notice and prior to the hearing if in the commissioner's opinion that action is necessary to protect the public welfare and the interests of the program.

(b) Except when the commissioner finds good cause not to suspend payments under Code of Federal Regulations, title 42, section 455.23 (e) or (f), the commissioner shall withhold or reduce

payments to ~~a vendor of medical care~~ an individual or entity without providing advance notice of such withholding or reduction if either of the following occurs:

(1) the ~~vendor~~ individual or entity is convicted of a crime involving the conduct described in subdivision 1a; or

(2) the commissioner determines there is a credible allegation of fraud for which an investigation is pending under the program. Allegations are considered credible when they have an indicium of reliability and the state agency has reviewed all allegations, facts, and evidence carefully and acts judiciously on a case-by-case basis. A credible allegation of fraud is an allegation which has been verified by the state, from any source, including but not limited to:

(i) fraud hotline complaints;

(ii) claims data mining; and

(iii) patterns identified through provider audits, civil false claims cases, and law enforcement investigations.

~~Allegations are considered to be credible when they have an indicia of reliability and the state agency has reviewed all allegations, facts, and evidence carefully and acts judiciously on a case-by-case basis.~~

(c) The commissioner must send notice of the withholding or reduction of payments under paragraph (b) within five days of taking such action unless requested in writing by a law enforcement agency to temporarily withhold the notice. The notice must:

(1) state that payments are being withheld according to paragraph (b);

(2) set forth the general allegations as to the nature of the withholding action, but need not disclose any specific information concerning an ongoing investigation;

(3) except in the case of a conviction for conduct described in subdivision 1a, state that the withholding is for a temporary period and cite the circumstances under which withholding will be terminated;

(4) identify the types of claims to which the withholding applies; and

(5) inform the ~~vendor~~ individual or entity of the right to submit written evidence for consideration by the commissioner.

(d) The withholding or reduction of payments will not continue after the commissioner determines there is insufficient evidence of fraud by the ~~vendor~~ individual or entity, or after legal proceedings relating to the alleged fraud are completed, unless the commissioner has sent notice of intention to impose monetary recovery or sanctions under paragraph (a). Upon conviction for a crime related to the provision, management, or administration of a health service under medical assistance, a payment held pursuant to this section by the commissioner or a managed care organization that contracts with the commissioner under section 256B.035 is forfeited to the commissioner or managed care organization, regardless of the amount charged in the criminal complaint or the amount of criminal restitution ordered.

~~(d)~~ (e) The commissioner shall suspend or terminate ~~a vendor's~~ an individual's or entity's participation in the program without providing advance notice and an opportunity for a hearing when the suspension or termination is required because of the ~~vendor's~~ individual's or entity's exclusion from participation in Medicare. Within five days of taking such action, the commissioner must send notice of the suspension or termination. The notice must:

(1) state that suspension or termination is the result of the ~~vendor's~~ individual's or entity's exclusion from Medicare;

(2) identify the effective date of the suspension or termination; and

(3) inform the ~~vendor~~ individual or entity of the need to be reinstated to Medicare before reapplying for participation in the program.

~~(e)~~ (f) Upon receipt of a notice under paragraph (a) that a monetary recovery or sanction is to be imposed, ~~a vendor~~ an individual or entity may request a contested case, as defined in section 14.02, subdivision 3, by filing with the commissioner a written request of appeal. The appeal request must be received by the commissioner no later than 30 days after the date the notification of monetary recovery or sanction was mailed to the ~~vendor~~ individual or entity. The appeal request must specify:

(1) each disputed item, the reason for the dispute, and an estimate of the dollar amount involved for each disputed item;

(2) the computation that the ~~vendor~~ individual or entity believes is correct;

(3) the authority in statute or rule upon which the ~~vendor~~ individual or entity relies for each disputed item;

(4) the name and address of the person or entity with whom contacts may be made regarding the appeal; and

(5) other information required by the commissioner.

~~(f)~~ (g) The commissioner may order ~~a vendor~~ an individual or entity to forfeit a fine for failure to fully document services according to standards in this chapter and Minnesota Rules, chapter 9505. The commissioner may assess fines if specific required components of documentation are missing. The fine for incomplete documentation shall equal 20 percent of the amount paid on the claims for reimbursement submitted by the ~~vendor~~ individual or entity, or up to \$5,000, whichever is less. If the commissioner determines that ~~a vendor~~ an individual or entity repeatedly violated this chapter, chapter 254B or 245G, or Minnesota Rules, chapter 9505, related to the provision of services to program recipients and the submission of claims for payment, the commissioner may order ~~a vendor~~ an individual or entity to forfeit a fine based on the nature, severity, and chronicity of the violations, in an amount of up to \$5,000 or 20 percent of the value of the claims, whichever is greater. The commissioner may issue fines under this paragraph in place of or in addition to full monetary recovery of the value of the claims submitted under subdivision 1c.

~~(g)~~ (h) The ~~vendor~~ individual or entity shall pay the fine assessed on or before the payment date specified. If the ~~vendor~~ individual or entity fails to pay the fine, the commissioner may withhold or

reduce payments and recover the amount of the fine. A timely appeal shall stay payment of the fine until the commissioner issues a final order.

Subd. 3. **Vendor Mandates on prohibited payments.** (a) The commissioner shall maintain and publish a list of each excluded individual and entity that was convicted of a crime related to the provision, management, or administration of a medical assistance health service, or suspended or terminated under subdivision 2. Medical assistance payments cannot be made by ~~a vendor~~ an individual or entity for items or services furnished either directly or indirectly by an excluded individual or entity, or at the direction of excluded individuals or entities.

(b) The ~~vendor~~ entity must check the exclusion list on a monthly basis and document the date and time the exclusion list was checked and the name and title of the person who checked the exclusion list. The ~~vendor~~ entity must immediately terminate payments to an individual or entity on the exclusion list.

(c) ~~A vendor's~~ An entity's requirement to check the exclusion list and to terminate payments to individuals or entities on the exclusion list applies to each individual or entity on the exclusion list, even if the named individual or entity is not responsible for direct patient care or direct submission of a claim to medical assistance.

(d) ~~A vendor~~ An entity that pays medical assistance program funds to an individual or entity on the exclusion list must refund any payment related to either items or services rendered by an individual or entity on the exclusion list from the date the individual or entity is first paid or the date the individual or entity is placed on the exclusion list, whichever is later, and ~~a vendor~~ an entity may be subject to:

(1) sanctions under subdivision 2;

(2) a civil monetary penalty of up to \$25,000 for each determination by the department that the vendor employed or contracted with an individual or entity on the exclusion list; and

(3) other fines or penalties allowed by law.

Subd. 4. **Notice.** (a) The department shall serve the notice required under subdivision 2 ~~shall be served~~ by certified mail at the address submitted to the department by the ~~vendor~~ individual or entity. Service is complete upon mailing. ~~The commissioner shall place an affidavit of the certified mailing in the vendor's file as an indication of the address and the date of mailing.~~

(b) The department shall give notice in writing to a recipient placed in the Minnesota restricted recipient program under section 256B.0646 and Minnesota Rules, part 9505.2200. The department shall send the notice ~~shall be sent~~ by first class mail to the recipient's current address on file with the department. A recipient placed in the Minnesota restricted recipient program may contest the placement by submitting a written request for a hearing to the department within 90 days of the notice being mailed.

Subd. 5. **Immunity; good faith reporters.** (a) A person who makes a good faith report is immune from any civil or criminal liability that might otherwise arise from reporting or participating in the investigation. Nothing in this subdivision affects ~~a vendor's~~ an individual's or entity's responsibility for an overpayment established under this subdivision.

(b) A person employed by a lead investigative agency who is conducting or supervising an investigation or enforcing the law according to the applicable law or rule is immune from any civil or criminal liability that might otherwise arise from the person's actions, if the person is acting in good faith and exercising due care.

(c) For purposes of this subdivision, "person" includes a natural person or any form of a business or legal entity.

(d) After an investigation is complete, the reporter's name must be kept confidential. The subject of the report may compel disclosure of the reporter's name only with the consent of the reporter or upon a written finding by a district court that the report was false and there is evidence that the report was made in bad faith. This subdivision does not alter disclosure responsibilities or obligations under the Rules of Criminal Procedure, except that when the identity of the reporter is relevant to a criminal prosecution the district court shall conduct an in-camera review before determining whether to order disclosure of the reporter's identity.

Sec. 67. Minnesota Statutes 2022, section 256B.27, subdivision 3, is amended to read:

Subd. 3. **Access to medical records.** The commissioner of human services, with the written consent of the recipient, on file with the local welfare agency, shall be allowed access in the manner and within the time prescribed by the commissioner to all personal medical records of medical assistance recipients solely for the purposes of investigating whether or not: (a) a vendor of medical care has submitted a claim for reimbursement, a cost report or a rate application which is duplicative, erroneous, or false in whole or in part, or which results in the vendor obtaining greater compensation than the vendor is legally entitled to; or (b) the medical care was medically necessary. When the commissioner is investigating a possible overpayment of Medicaid funds, the commissioner must be given immediate access without prior notice to the vendor's office during regular business hours and to documentation and records related to services provided and submission of claims for services provided. The department shall document in writing the need for immediate access to records related to a specific investigation. Denying the commissioner access to records is cause for the vendor's immediate suspension of payment or termination according to section 256B.064. Any records not provided to the commissioner at the date and time of the request are inadmissible if offered as evidence by the provider in any proceeding to contest sanctions against or monetary recovery from the provider. The determination of provision of services not medically necessary shall be made by the commissioner. Notwithstanding any other law to the contrary, a vendor of medical care shall not be subject to any civil or criminal liability for providing access to medical records to the commissioner of human services pursuant to this section.

Sec. 68. Minnesota Statutes 2022, section 524.5-118, subdivision 2a, is amended to read:

Subd. 2a. **Procedure; state licensing agency data.** (a) The court shall request the commissioner of human services to provide the court within 25 working days of receipt of the request with licensing agency data for licenses directly related to the responsibilities of a professional fiduciary if the study subject indicates current or prior affiliation from the following agencies in Minnesota:

(1) Lawyers Responsibility Board;

(2) State Board of Accountancy;

- (3) Board of Social Work;
- (4) Board of Psychology;
- (5) Board of Nursing;
- (6) Board of Medical Practice;
- ~~(7) Department of Education;~~
- ~~(8)~~ (7) Department of Commerce;
- ~~(9)~~ (8) Board of Chiropractic Examiners;
- ~~(10)~~ (9) Board of Dentistry;
- ~~(11)~~ (10) Board of Marriage and Family Therapy;
- ~~(12)~~ (11) Department of Human Services;
- ~~(13)~~ (12) Peace Officer Standards and Training (POST) Board; and
- ~~(14)~~ (13) Professional Educator Licensing and Standards Board.

(b) The commissioner shall enter into agreements with these agencies to provide the commissioner with electronic access to the relevant licensing data, and to provide the commissioner with a quarterly list of new sanctions issued by the agency.

(c) The commissioner shall provide to the court the electronically available data maintained in the agency's database, including whether the proposed guardian or conservator is or has been licensed by the agency, and if the licensing agency database indicates a disciplinary action or a sanction against the individual's license, including a condition, suspension, revocation, or cancellation.

(d) If the proposed guardian or conservator has resided in a state other than Minnesota in the previous ten years, licensing agency data under this section shall also include the licensing agency data from any other state where the proposed guardian or conservator reported to have resided during the previous ten years if the study subject indicates current or prior affiliation. If the proposed guardian or conservator has or has had a professional license in another state that is directly related to the responsibilities of a professional fiduciary from one of the agencies listed under paragraph (a), state licensing agency data shall also include data from the relevant licensing agency of that state.

(e) The commissioner is not required to repeat a search for Minnesota or out-of-state licensing data on an individual if the commissioner has provided this information to the court within the prior five years.

(f) The commissioner shall review the information in paragraph (c) at least once every four months to determine if an individual who has been studied within the previous five years:

- (1) has new disciplinary action or sanction against the individual's license; or

(2) did not disclose a prior or current affiliation with a Minnesota licensing agency.

(g) If the commissioner's review in paragraph (f) identifies new information, the commissioner shall provide any new information to the court.

Sec. 69. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber the subdivisions in Minnesota Statutes, section 245C.02, in alphabetical order and correct any cross-reference changes that result.

Sec. 70. **REPEALER.**

(a) Minnesota Statutes 2022, sections 245A.22; 245C.02, subdivision 9; 245C.301; and 256.9685, subdivisions 1c and 1d, are repealed.

(b) Minnesota Rules, parts 9505.0505, subpart 18; and 9505.0520, subpart 9b, are repealed.

(c) Minnesota Statutes 2022, sections 245A.144; and 245A.175, are repealed.

(d) Minnesota Rules, parts 2960.3070; 2960.3210; and 9502.0425, subparts 5 and 10, are repealed.

EFFECTIVE DATE. Paragraphs (a) and (b) are effective the day following final enactment. Paragraphs (c) and (d) are effective January 1, 2024.

ARTICLE 2

CHILDREN AND FAMILY SERVICES

Section 1. Minnesota Statutes 2022, section 256N.24, subdivision 12, is amended to read:

Subd. 12. **Approval of initial assessments, special assessments, and reassessments.** (a) Any agency completing initial assessments, special assessments, or reassessments must designate one or more supervisors or other staff to examine and approve assessments completed by others in the agency under subdivision 2. The person approving an assessment must not be the case manager or staff member completing that assessment.

(b) In cases where a special assessment or reassessment for Northstar kinship assistance and adoption assistance is required under subdivision 8 or 11, the commissioner shall review and approve the assessment as part of the eligibility determination process outlined in section 256N.22, subdivision 7, for Northstar kinship assistance, or section 256N.23, subdivision 7, for adoption assistance. The assessment determines the maximum of the negotiated agreement amount under section 256N.25.

(c) The effective date of the new rate is ~~effective the calendar month that the assessment is approved, or the effective date of the agreement, whichever is later.~~ determined as follows:

(1) for initial assessments of children in foster care, the new rate is effective based on the emergency foster care rate for initial placement pursuant to section 256N.26, subdivision 6;

(2) for special assessments, the new rate is effective the date of the finalized adoption decree or the date of the court order that transfers permanent legal and physical custody to a relative;

(3) for postpermanency reassessments, the new rate is effective the date that the commissioner signs the amendment to the Northstar Adoption Assistance or Northstar Kinship Assistance benefit agreement.

Sec. 2. Minnesota Statutes 2022, section 260C.221, subdivision 1, is amended to read:

Subdivision 1. **Relative search requirements.** (a) The responsible social services agency shall exercise due diligence to identify and notify adult relatives, as defined in section 260C.007, subdivision 27, and current caregivers of a child's sibling, prior to placement or within 30 days after the child's removal from the parent, regardless of whether a child is placed in a relative's home, as required under subdivision 2. The relative search required by this section shall be comprehensive in scope.

(b) The relative search required by this section shall include both maternal and paternal adult relatives of the child; all adult grandparents; all legal parents, guardians, or custodians of the child's siblings; and any other adult relatives suggested by the child's parents, subject to the exceptions due to family violence in subdivision 5, paragraph (b). The search shall also include getting information from the child in an age-appropriate manner about who the child considers to be family members and important friends with whom the child has resided or had significant contact. The relative search required under this section must fulfill the agency's duties under the Indian Child Welfare Act regarding active efforts to prevent the breakup of the Indian family under United States Code, title 25, section 1912(d), and to meet placement preferences under United States Code, title 25, section 1915.

(c) The responsible social services agency has a continuing responsibility to search for and identify relatives of a child and send the notice to relatives that is required under subdivision 2, unless the court has relieved the agency of this duty under subdivision 5, paragraph (e).

Sec. 3. Minnesota Statutes 2022, section 260C.317, subdivision 3, is amended to read:

Subd. 3. **Order; retention of jurisdiction.** (a) A certified copy of the findings and the order terminating parental rights, and a summary of the court's information concerning the child shall be furnished by the court to the commissioner or the agency to which guardianship is transferred.

(b) The orders shall be on a document separate from the findings. The court shall furnish the guardian a copy of the order terminating parental rights.

(c) When the court orders guardianship pursuant to this section, the guardian ad litem and counsel for the child shall continue on the case until an adoption decree is entered. An in-court appearance hearing must be held every 90 days following termination of parental rights for the court to review progress toward an adoptive placement and the specific recruitment efforts the agency has taken to find an adoptive family for the child and to finalize the adoption or other permanency plan. Review of the progress toward adoption of a child under guardianship of the commissioner of human services shall be conducted according to section 260C.607.

(d) Upon terminating parental rights or upon a parent's consent to adoption under ~~Minnesota Statutes 2010, section 260C.201, subdivision 11, or section 260C.515, subdivision 5 3,~~ resulting in an order for guardianship to the commissioner of human services, the court shall retain jurisdiction:

(1) until the child is adopted;

(2) through the child's minority; or

(3) as long as the child continues in or reenters foster care, until the individual becomes 21 years of age according to sections 260C.193, subdivision 6, and 260C.451.

Sec. 4. Minnesota Statutes 2022, section 518A.43, subdivision 1b, is amended to read:

Subd. 1b. **Increase in income of custodial parent.** In a modification of support under section 518A.39, the court may deviate from the presumptive child support obligation under section 518A.34 when the only change in circumstances is an increase to the custodial parent's income and:

~~(1) the basic support increases;~~

~~(2) the parties' combined gross income is \$6,000 or less; or~~

~~(3) the obligor's income is \$2,000 or less.~~

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

Sec. 5. **REPEALER.**

Minnesota Statutes 2022, sections 256D.63, subdivision 1; and 518A.59, are repealed.

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

Amend the title as follows:

Page 1, line 4, delete everything after the first semicolon

Page 1, delete lines 5 to 7

Page 1, line 8, delete everything before "prohibiting"

Page 1, line 9, after the semicolon, insert "modifying child care safety provisions; modifying infant safety provisions; modifying foster care and child care training requirements; making technical changes to Northstar Care for Children assessment rate effective dates; making technical changes to relative search requirements and termination of parental rights; making technical corrections to child support provision;"

Amend the title numbers accordingly

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

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

S.F. No. 2212: A bill for an act relating to health; changing provisions in vital records for stillbirths; amending Minnesota Statutes 2022, sections 144.2151; 144.222.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2022, section 62J.17, subdivision 5a, is amended to read:

Subd. 5a. **Retrospective review.** (a) The commissioner shall retrospectively review each major spending commitment and ~~notify the provider of the results of the review. The commissioner shall~~ determine whether the major spending commitment was appropriate. In making the determination, the commissioner may consider the following criteria: the major spending commitment's impact on the cost, access, and quality of health care; the clinical effectiveness and cost-effectiveness of the major spending commitment; and the alternatives available to the provider. If the major expenditure is determined to not be appropriate, the commissioner shall notify the provider.

(b) The commissioner may not prevent or prohibit a major spending commitment subject to retrospective review. However, if the provider fails the retrospective review, any major spending commitments by that provider for the five-year period following the commissioner's decision are subject to prospective review under subdivision 6a.

Sec. 2. Minnesota Statutes 2022, section 62Q.675, is amended to read:

62Q.675 HEARING AIDS; ~~PERSONS 18 OR YOUNGER.~~

A health plan must cover hearing aids for all individuals ~~18 years of age or younger~~ for hearing loss that is not correctable by other covered procedures. Coverage required under this section is limited to one hearing aid in each ear every three years. No special deductible, coinsurance, co-payment, or other limitation on the coverage under this section that is not generally applicable to other coverages under the plan may be imposed.

Sec. 3. Minnesota Statutes 2022, section 62U.04, subdivision 11, is amended to read:

Subd. 11. **Restricted uses of the all-payer claims data.** (a) Notwithstanding subdivision 4, paragraph (b), and subdivision 5, paragraph (b), the commissioner or the commissioner's designee shall only use the data submitted under subdivisions 4 and 5 for the following purposes:

(1) to evaluate the performance of the health care home program as authorized under section 62U.03, subdivision 7;

(2) to study, in collaboration with the reducing avoidable readmissions effectively (RARE) campaign, hospital readmission trends and rates;

(3) to analyze variations in health care costs, quality, utilization, and illness burden based on geographical areas or populations;

(4) to evaluate the state innovation model (SIM) testing grant received by the Departments of Health and Human Services, including the analysis of health care cost, quality, and utilization baseline and trend information for targeted populations and communities; and

(5) to compile one or more public use files of summary data or tables that must:

(i) be available to the public for no or minimal cost by March 1, 2016, and available by web-based electronic data download by June 30, 2019;

(ii) not identify individual patients, payers, or providers;

(iii) be updated by the commissioner, at least annually, with the most current data available;

(iv) contain clear and conspicuous explanations of the characteristics of the data, such as the dates of the data contained in the files, the absence of costs of care for uninsured patients or nonresidents, and other disclaimers that provide appropriate context; and

(v) not lead to the collection of additional data elements beyond what is authorized under this section as of June 30, 2015.

(b) The commissioner may publish the results of the authorized uses identified in paragraph (a) so long as the data released publicly do not contain information or descriptions in which the identity of individual hospitals, clinics, or other providers may be discerned.

(c) Nothing in this subdivision shall be construed to prohibit the commissioner from using the data collected under subdivision 4 to complete the state-based risk adjustment system assessment due to the legislature on October 1, 2015.

~~(d) The commissioner or the commissioner's designee may use the data submitted under subdivisions 4 and 5 for the purpose described in paragraph (a), clause (3), until July 1, 2023.~~

~~(d)~~ (d) The commissioner shall consult with the all-payer claims database work group established under subdivision 12 regarding the technical considerations necessary to create the public use files of summary data described in paragraph (a), clause (5).

Sec. 4. Minnesota Statutes 2022, section 144.1481, subdivision 1, is amended to read:

Subdivision 1. **Establishment; membership.** The commissioner of health shall establish a ~~16-member~~ Rural Health Advisory Committee. The committee shall consist of the following 22 members, all of whom must reside outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2:

(1) two members from the house of representatives of the state of Minnesota, one from the majority party and one from the minority party;

(2) two members from the senate of the state of Minnesota, one from the majority party and one from the minority party;

(3) a volunteer member of an ambulance service based outside the seven-county metropolitan area;

- (4) a representative of a hospital located outside the seven-county metropolitan area;
- (5) a representative of a nursing home located outside the seven-county metropolitan area;
- (6) a medical doctor or doctor of osteopathic medicine licensed under chapter 147;
- (7) a dentist licensed under chapter 150A;
- (8) an allied dental personnel as defined in Minnesota Rules, part 3100.0100, subpart 5;
- ~~(8)~~ (9) a midlevel practitioner or an advanced practice professional;
- ~~(9)~~ (10) a registered nurse or licensed practical nurse;
- ~~(10)~~ (11) a licensed health care professional from an occupation not otherwise represented on the committee;
- ~~(11)~~ (12) a representative of an institution of higher education located outside the seven-county metropolitan area that provides training for rural health care providers; and
- (13) a member of a Tribal Nation;
- (14) a representative of a local public health agency or community health board;
- (15) a health professional or advocate with experience working with people with mental illness;
- (16) a representative of a community organization that works with individuals experiencing health disparities;
- (17) an individual with expertise in economic development, or an employer working outside the seven-county metropolitan area;
- ~~(12) three~~ (18) two consumers, at least one of whom must be ~~an advocate for persons who are mentally ill or developmentally disabled~~ from a community experiencing health disparities; and
- (19) one consumer who is an advocate for persons who are developmentally disabled.

The commissioner will make recommendations for committee membership. Committee members will be appointed by the governor. In making appointments, the governor shall ensure that appointments provide geographic balance among those areas of the state outside the seven-county metropolitan area. The chair of the committee shall be elected by the members. The advisory committee is governed by section 15.059, except that the members do not receive per diem compensation.

Sec. 5. Minnesota Statutes 2022, section 144.2151, is amended to read:

144.2151 FETAL DEATH RECORD AND CERTIFICATE OF BIRTH RESULTING IN STILLBIRTH.

Subdivision 1. **Filing Registration.** A fetal death record of birth for each birth resulting in a stillbirth in this state, on or after August 1, 2005, must be established for which a each fetal death

~~report is required reported and registered under section 144.222, subdivision 1, shall be filed with the state registrar within five days after the birth if the parent or parents of the stillbirth request to have a record of birth resulting in stillbirth prepared.~~

Subd. 2. **Information to parents.** The party responsible for filing a fetal death report under section 144.222, subdivision 1, shall advise the parent or parents of a stillbirth:

~~(1) that they may request preparation of a record of birth resulting in stillbirth;~~

~~(2) that preparation of the record is optional; and~~

~~(3) how to obtain a certified copy of the record if one is requested and prepared.~~

(1) that the parent or parents may choose to provide a full name or provide only a last name for the record;

(2) that the parent or parents may request a certificate of birth resulting in stillbirth after the fetal death record is established;

(3) that the parent who gave birth may request an informational copy of the fetal death record; and

(4) that the parent or parents named on the fetal death record and the party responsible for reporting the fetal death may correct or amend the record to protect the integrity and accuracy of vital records.

Subd. 3. **Preparation Responsibilities of the state registrar.** ~~(a) Within five days after delivery of a stillbirth, the parent or parents of the stillbirth may prepare and file the record with the state registrar if the parent or parents of the stillbirth, after being advised as provided in subdivision 2, request to have a record of birth resulting in stillbirth prepared.~~

~~(b) If the parent or parents of the stillbirth do not choose to provide a full name for the stillbirth, the parent or parents may choose to file only a last name.~~

~~(c) Either parent of the stillbirth or, if neither parent is available, another person with knowledge of the facts of the stillbirth shall attest to the accuracy of the personal data entered on the record in time to permit the filing of the record within five days after delivery.~~

The state registrar shall:

(1) prescribe the process to:

(i) register a fetal death;

(ii) request the certificate of birth resulting in stillbirth; and

(iii) request the informational copy of a fetal death record;

(2) prescribe a standardized format for the certificate of birth resulting in stillbirth, which shall integrate security features and be as similar as possible to a birth certificate;

(3) issue a certificate of birth resulting in stillbirth or a statement of no vital record found to the parent or parents named on the fetal death record upon the parent's proper completion of an attestation provided by the commissioner and payment of the required fee;

(4) correct or amend the fetal death record upon a request from the parent who gave birth, parents, or the person who registered the fetal death or filed the report; and

(5) refuse to amend or correct the fetal death record when an applicant does not submit the minimum documentation required to amend the record or when the state registrar has cause to question the validity or completeness of the applicant's statements or any documentary evidence and the deficiencies are not corrected. The state registrar shall advise the applicant of the reason for this action and shall further advise the applicant of the right of appeal to a court with competent jurisdiction over the Department of Health.

Subd. 4. **Retroactive application Delayed registration.** Notwithstanding subdivisions 1 to 3, If a ~~birth that~~ fetal death occurred in this state at any time ~~resulted in a stillbirth~~ for which a fetal death report was required under section 144.222, subdivision 1, but a record of birth resulting in stillbirth was not prepared under subdivision 3, a parent of the stillbirth may submit to the state registrar, on or after August 1, 2005, a written request for preparation of a record of birth resulting in stillbirth and evidence of the facts of the stillbirth in the form and manner specified by the state registrar. The state registrar shall prepare and file the record of birth resulting in stillbirth within 30 days after receiving satisfactory evidence of the facts of the stillbirth. ~~fetal death was not registered and a record was not established, a person responsible for registering the fetal death, the medical examiner or coroner with jurisdiction, or a parent may submit to the state registrar a written request to register the fetal death and submit the evidence to support the request.~~

Subd. 5. **Responsibilities of state registrar.** The state registrar shall:

(1) prescribe the form of and information to be included on a record of birth resulting in stillbirth, which shall be as similar as possible to the form of and information included on a record of birth;

(2) prescribe the form of and information to be provided by the parent of a stillbirth requesting a record of birth resulting in stillbirth under subdivisions 3 and 4 and make this form available on the Department of Health's website;

(3) issue a certified copy of a record of birth resulting in stillbirth to a parent of the stillbirth that is the subject of the record if:

(i) a record of birth resulting in stillbirth has been prepared and filed under subdivision 3 or 4; and

(ii) the parent requesting a certified copy of the record submits the request in writing; and

(4) create and implement a process for entering, preparing, and handling stillbirth records identical or as close as possible to the processes for birth and fetal death records when feasible, but no later than the date on which the next reprogramming of the Department of Health's database for vital records is completed.

Sec. 6. Minnesota Statutes 2022, section 144.222, is amended to read:

144.222 FETAL DEATH REPORTS OF FETAL OR INFANT DEATH AND REGISTRATION.

Subdivision 1. **Fetal death report required.** A fetal death ~~report~~ must be ~~filed~~ registered or reported within five days of the death of a fetus for whom 20 or more weeks of gestation have elapsed, except for abortions defined under section 145.4241. A fetal death ~~report must be prepared~~ must be registered or reported in a format prescribed by the state registrar and filed in accordance with Minnesota Rules, parts 4601.0100 to 4601.2600 by:

(1) a person in charge of an institution or that person's authorized designee if a fetus is delivered in the institution or en route to the institution;

(2) a physician, certified nurse midwife, or other licensed medical personnel in attendance at or immediately after the delivery if a fetus is delivered outside an institution; or

(3) a parent or other person in charge of the disposition of the remains if a fetal death occurred without medical attendance at or immediately after the delivery.

~~Subd. 2. **Sudden infant death.** Each infant death which is diagnosed as sudden infant death syndrome shall be reported within five days to the state registrar.~~

Sec. 7. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision to read:

Subd. 2a. **Connector.** "Connector" means gooseneck, pigtail, and other service line connectors. A connector is typically a short section of piping not exceeding two feet that can be bent and used for connections between rigid service piping.

Sec. 8. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision to read:

Subd. 3a. **Galvanized requiring replacement.** "Galvanized requiring replacement" means a galvanized service line that is or was at any time connected to a lead service line or lead status unknown service line, or is currently or was previously affixed to a lead connector. The majority of galvanized service lines fall under this category.

Sec. 9. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision to read:

Subd. 3b. **Galvanized service line.** "Galvanized service line" means a service line made of iron or piping that has been dipped in zinc to prevent corrosion and rusting.

Sec. 10. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision to read:

Subd. 3c. **Lead connector.** "Lead connector" means a connector made of lead.

Sec. 11. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision to read:

Subd. 3d. **Lead service line.** "Lead service line" means a portion of pipe that is made of lead, which connects the water main to the building inlet. A lead service line may be owned by the water system, by the property owner, or both.

Sec. 12. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision to read:

Subd. 3e. **Lead status unknown service line or unknown service line.** "Lead status unknown service line" or "unknown service line" means a service line that has not been demonstrated to meet or does not meet the Safe Drinking Water Act, section 1417, definition of lead free.

Sec. 13. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision to read:

Subd. 3f. **Nonlead service line.** "Nonlead service line" means a service line determined through an evidence-based record, method, or technique not to be a lead service line or galvanized service line requiring replacement. Most nonlead service lines will be copper or plastic.

Sec. 14. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision to read:

Subd. 4a. **Service line.** "Service line" means a portion of pipe that connects the water main to the building inlet. A service line may be owned by the water system, by the property owner, or both. A service line may be made of many materials, such as lead, copper, galvanized steel, or plastic.

Sec. 15. [144.3853] **CLASSIFICATION OF SERVICE LINES.**

Subdivision 1. **Classification of lead status of service line.** (a) A water system may classify the actual material of a service line, such as copper or plastic, as an alternative to classifying the service line as a nonlead service line, for the purpose of the lead service line inventory.

(b) It is not necessary to physically verify the material composition, such as copper or plastic, of a service line for its lead status to be identified. For example, if records demonstrate the service line was installed after a municipal, state, or federal ban on the installation of lead service lines, the service line may be classified as a nonlead service line.

Subd. 2. **Lead connector.** For the purposes of the lead service line inventory and lead service line replacement plan, if a service line has a lead connector, the service line shall be classified as a lead service line or a galvanized service line requiring replacement.

Subd. 3. **Galvanized service line.** A galvanized service line may only be classified as a nonlead service line if there is documentation verifying it was never connected to a lead service line or lead connector. Rarely will a galvanized service line be considered a nonlead service line.

Sec. 16. Minnesota Statutes 2022, section 144.55, subdivision 3, is amended to read:

Subd. 3. **Standards for licensure.** (a) Notwithstanding the provisions of section 144.56, for the purpose of hospital licensure, the commissioner of health shall use as minimum standards the hospital certification regulations promulgated pursuant to title XVIII of the Social Security Act, United States Code, title 42, section 1395, et seq. The commissioner may use as minimum standards changes in the federal hospital certification regulations promulgated after May 7, 1981, if the commissioner finds that such changes are reasonably necessary to protect public health and safety. ~~The commissioner shall also promulgate in rules additional minimum standards for new construction.~~

(b) Hospitals must meet the applicable provisions of the 2022 edition of the Facility Guidelines Institute *Guidelines for Design and Construction of Hospitals*. This minimum design standard must be met for all new licenses, new construction, change of use, or change of occupancy for which plan review packages are received on or after January 1, 2024. For the purposes of this subdivision,

"Facility Guidelines Institute *Guidelines for Design and Construction of Hospitals*" does not include any appendices to the guidelines.

(c) The commissioner shall review each new edition of the guidelines to determine if they will be updated. If the commissioner decides to update the edition of the guidelines specified in paragraph (b) for purposes of this subdivision, the commissioner must notify the chairs and ranking minority members of the legislative committees with jurisdiction over health care and public safety of the planned update by January 15 of the year in which the new edition will become effective. Following notice from the commissioner, the new edition shall become effective for hospitals beginning August 1 of that year, unless otherwise provided in law. The commissioner shall, by publication in the State Register, specify a date by which hospitals must comply with the updated edition. The date by which hospitals must comply shall not be sooner than 12 months after publication of the commissioner's notice in the State Register and applies only to plan review submissions received on or after that date.

(d) Hospitals shall be in compliance with all applicable state and local governing laws, regulations, standards, ordinances, and codes for fire safety, building, and zoning requirements. The commissioner shall develop guidance to outline how the commissioner will resolve conflicts between the guidelines and other applicable state and local governing laws, regulations, standards, ordinances, and codes for fire safety, building, and zoning. Guidance must be made publicly available at the time a new edition of the guidelines becomes effective and shall be periodically updated.

~~(b)~~ (e) Each hospital and outpatient surgical center shall establish policies and procedures to prevent the transmission of human immunodeficiency virus and hepatitis B virus to patients and within the health care setting. The policies and procedures shall be developed in conformance with the most recent recommendations issued by the United States Department of Health and Human Services, Public Health Service, Centers for Disease Control. The commissioner of health shall evaluate a hospital's compliance with the policies and procedures according to subdivision 4.

~~(e)~~ (f) An outpatient surgical center must establish and maintain a comprehensive tuberculosis infection control program according to the most current tuberculosis infection control guidelines issued by the United States Centers for Disease Control and Prevention (CDC), Division of Tuberculosis Elimination, as published in CDC's Morbidity and Mortality Weekly Report (MMWR). This program must include a tuberculosis infection control plan that covers all paid and unpaid employees, contractors, students, and volunteers. The Department of Health shall provide technical assistance regarding implementation of the guidelines.

~~(d)~~ (g) Written compliance with this subdivision must be maintained by the outpatient surgical center.

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

Sec. 17. Minnesota Statutes 2022, section 144.6535, subdivision 1, is amended to read:

Subdivision 1. **Request for variance or waiver.** A hospital may request that the commissioner grant a variance or waiver from the provisions of ~~Minnesota Rules, chapter 4640 or 4645~~ section 144.55, subdivision 3, paragraph (b). A request for a variance or waiver must be submitted to the commissioner in writing. Each request must contain:

- (1) the specific ~~rule or rules~~ requirement for which the variance or waiver is requested;
- (2) the reasons for the request;
- (3) the alternative measures that will be taken if a variance or waiver is granted;
- (4) the length of time for which the variance or waiver is requested; and
- (5) other relevant information deemed necessary by the commissioner to properly evaluate the request for the variance or waiver.

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

Sec. 18. Minnesota Statutes 2022, section 144.6535, subdivision 2, is amended to read:

Subd. 2. **Criteria for evaluation.** The decision to grant or deny a variance or waiver must be based on the commissioner's evaluation of the following criteria:

- (1) whether the variance or waiver will adversely affect the health, treatment, comfort, safety, or well-being of a patient;
- (2) whether the alternative measures to be taken, if any, are equivalent to or superior to those prescribed in ~~Minnesota Rules, chapter 4640 or 4645~~ section 144.55, subdivision 3, paragraph (b); and
- (3) whether compliance with the ~~rule or rules~~ requirements would impose an undue burden upon the applicant.

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

Sec. 19. Minnesota Statutes 2022, section 144.6535, subdivision 4, is amended to read:

Subd. 4. **Effect of alternative measures or conditions.** (a) Alternative measures or conditions attached to a variance or waiver have the same force and effect as the ~~rules~~ requirement under ~~Minnesota Rules, chapter 4640 or 4645~~ section 144.55, subdivision 3, paragraph (b), and are subject to the issuance of correction orders and penalty assessments in accordance with section 144.55.

(b) Fines for a violation of this section shall be in the same amount as that specified for the particular ~~rule~~ requirement for which the variance or waiver was requested.

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

Sec. 20. Minnesota Statutes 2022, section 144.9501, subdivision 17, is amended to read:

Subd. 17. **Lead hazard reduction.** (a) "Lead hazard reduction" means abatement, swab team services, or interim controls undertaken to make a residence, child care facility, school, playground, or other location where lead hazards are identified lead-safe by complying with the lead standards and methods adopted under section 144.9508.

(b) Lead hazard reduction does not include renovation activity that is primarily intended to remodel, repair, or restore a given structure or dwelling rather than abate or control lead-based paint hazards.

(c) Lead hazard reduction does not include activities that disturb painted surfaces that total:

(1) less than 20 square feet (two square meters) on exterior surfaces; or

(2) less than two square feet (0.2 square meters) in an interior room.

Sec. 21. Minnesota Statutes 2022, section 144.9501, subdivision 26a, is amended to read:

Subd. 26a. **Regulated lead work.** ~~(a)~~ "Regulated lead work" means:

(1) abatement;

(2) interim controls;

(3) a clearance inspection;

(4) a lead hazard screen;

(5) a lead inspection;

(6) a lead risk assessment;

(7) lead project designer services;

(8) lead sampling technician services;

(9) swab team services;

(10) renovation activities; ~~or~~

(11) lead hazard reduction; or

~~(11) (12) activities performed to comply with lead orders issued by a community health board~~
an assessing agency.

~~(b) Regulated lead work does not include abatement, interim controls, swab team services, or renovation activities that disturb painted surfaces that total no more than:~~

~~(1) 20 square feet (two square meters) on exterior surfaces; or~~

~~(2) six square feet (0.6 square meters) in an interior room.~~

Sec. 22. Minnesota Statutes 2022, section 144.9501, subdivision 26b, is amended to read:

Subd. 26b. **Renovation.** (a) "Renovation" means the modification of any pre-1978 affected property for compensation that results in the disturbance of known or presumed lead-containing painted surfaces defined under section 144.9508, unless that activity is performed as lead hazard

reduction. A renovation performed for the purpose of converting a building or part of a building into an affected property is a renovation under this subdivision.

(b) Renovation does not include minor repair and maintenance activities described in this paragraph. All activities that disturb painted surfaces and are performed within 30 days of other activities that disturb painted surfaces in the same room must be considered a single project when applying the criteria below. Unless the activity involves window replacement or demolition of a painted surface, building component, or portion of a structure, for purposes of this paragraph, "minor repair and maintenance" means activities that disturb painted surfaces totaling:

- (1) less than 20 square feet (two square meters) on exterior surfaces; or
- (2) less than six square feet (0.6 square meters) in an interior room.

(c) Renovation does not include total demolition of a freestanding structure. For purposes of this paragraph, "total demolition" means demolition and disposal of all interior and exterior painted surfaces, including windows. Unpainted foundation building components remaining after total demolition may be reused.

Sec. 23. Minnesota Statutes 2022, section 144.9501, is amended by adding a subdivision to read:

Subd. 33. **Compensation.** "Compensation" means money or other mutually agreed upon form of payment given or received for regulated lead work, including rental payments, rental income, or salaries derived from rent payments.

Sec. 24. Minnesota Statutes 2022, section 144.9501, is amended by adding a subdivision to read:

Subd. 34. **Individual.** "Individual" means a natural person.

Sec. 25. Minnesota Statutes 2022, section 144.9505, subdivision 1, is amended to read:

Subdivision 1. **Licensing, certification, and permitting.** (a) Fees collected under this section shall be deposited into the state treasury and credited to the state government special revenue fund.

(b) Persons shall not advertise or otherwise present themselves as lead supervisors, lead workers, lead inspectors, lead risk assessors, lead sampling technicians, lead project designers, renovation firms, or lead firms unless they have licenses or certificates issued by the commissioner under this section.

(c) The fees required in this section for inspectors, risk assessors, and certified lead firms are waived for state or local government employees performing services for or as an assessing agency.

~~(d) An individual who is the owner of property on which regulated lead work is to be performed or an adult individual who is related to the property owner, as defined under section 245A.02, subdivision 13, is exempt from the requirements to obtain a license and pay a fee according to this section.~~ Individual residential property owners who perform regulated lead work on their own residence are exempt from the licensure and firm certification requirements of this section. Notwithstanding the provisions of paragraphs (a) to (c), this exemption does not apply when the

regulated lead work is a renovation performed for compensation, when a child with an elevated blood level has been identified in the residence or the building in which the residence is located, or when the residence is occupied by one or more individuals who are not related to the property owner, as defined under section 245A.02, subdivision 13.

~~(e) A person that employs individuals to perform regulated lead work outside of the person's property must obtain certification as a certified lead firm. An individual who performs lead hazard reduction, lead hazard screens, lead inspections, lead risk assessments, clearance inspections, lead project designer services, lead sampling technician services, swab team services, and activities performed to comply with lead orders must be employed by a certified lead firm, unless the individual is a sole proprietor and does not employ any other individuals, the individual is employed by a person that does not perform regulated lead work outside of the person's property, or the individual is employed by an assessing agency.~~

Sec. 26. Minnesota Statutes 2022, section 144.9505, subdivision 1g, is amended to read:

Subd. 1g. **Certified lead firm.** A person who performs or employs individuals to perform regulated lead work, with the exception of renovation, ~~outside of the person's property~~ must obtain certification as a lead firm. The certificate must be in writing, contain an expiration date, be signed by the commissioner, and give the name and address of the person to whom it is issued. A lead firm certificate is valid for one year. The certification fee is \$100, is nonrefundable, and must be submitted with each application. The lead firm certificate or a copy of the certificate must be readily available at the worksite for review by the contracting entity, the commissioner, and other public health officials charged with the health, safety, and welfare of the state's citizens.

Sec. 27. Minnesota Statutes 2022, section 144.9505, subdivision 1h, is amended to read:

Subd. 1h. **Certified renovation firm.** A person who performs or employs individuals to perform renovation ~~activities outside of the person's property~~ for compensation must obtain certification as a renovation firm. The certificate must be in writing, contain an expiration date, be signed by the commissioner, and give the name and address of the person to whom it is issued. A renovation firm certificate is valid for two years. The certification fee is \$100, is nonrefundable, and must be submitted with each application. The renovation firm certificate or a copy of the certificate must be readily available at the worksite for review by the contracting entity, the commissioner, and other public health officials charged with the health, safety, and welfare of the state's citizens.

Sec. 28. Minnesota Statutes 2022, section 144.9508, subdivision 2, is amended to read:

Subd. 2. **Regulated lead work standards and methods.** (a) The commissioner shall adopt rules establishing regulated lead work standards and methods in accordance with the provisions of this section, for lead in paint, dust, drinking water, and soil in a manner that protects public health and the environment for all residences, including residences also used for a commercial purpose, child care facilities, playgrounds, and schools.

(b) In the rules required by this section, the commissioner shall require lead hazard reduction of intact paint only if the commissioner finds that the intact paint is on a chewable or lead-dust producing surface that is a known source of actual lead exposure to a specific individual. The commissioner shall prohibit methods that disperse lead dust into the air that could accumulate to a level that would exceed the lead dust standard specified under this section. The commissioner shall

work cooperatively with the commissioner of administration to determine which lead hazard reduction methods adopted under this section may be used for lead-safe practices including prohibited practices, preparation, disposal, and cleanup. The commissioner shall work cooperatively with the commissioner of the Pollution Control Agency to develop disposal procedures. In adopting rules under this section, the commissioner shall require the best available technology for regulated lead work methods, paint stabilization, and repainting.

(c) The commissioner of health shall adopt regulated lead work standards and methods for lead in bare soil in a manner to protect public health and the environment. The commissioner shall adopt a maximum standard of 100 parts of lead per million in bare soil. The commissioner shall set a soil replacement standard not to exceed 25 parts of lead per million. Soil lead hazard reduction methods shall focus on erosion control and covering of bare soil.

(d) The commissioner shall adopt regulated lead work standards and methods for lead in dust in a manner to protect the public health and environment. Dust standards shall use a weight of lead per area measure and include dust on the floor, on the window sills, and on window wells. Lead hazard reduction methods for dust shall focus on dust removal and other practices which minimize the formation of lead dust from paint, soil, or other sources.

(e) The commissioner shall adopt lead hazard reduction standards and methods for lead in drinking water both at the tap and public water supply system or private well in a manner to protect the public health and the environment. The commissioner may adopt the rules for controlling lead in drinking water as contained in Code of Federal Regulations, title 40, part 141. Drinking water lead hazard reduction methods may include an educational approach of minimizing lead exposure from lead in drinking water.

(f) The commissioner of the Pollution Control Agency shall adopt rules to ensure that removal of exterior lead-based coatings from residences and steel structures by abrasive blasting methods is conducted in a manner that protects health and the environment.

(g) All regulated lead work standards shall provide reasonable margins of safety that are consistent with more than a summary review of scientific evidence and an emphasis on overprotection rather than underprotection when the scientific evidence is ambiguous.

(h) No unit of local government shall have an ordinance or regulation governing regulated lead work standards or methods for lead in paint, dust, drinking water, or soil that require a different regulated lead work standard or method than the standards or methods established under this section.

(i) Notwithstanding paragraph (h), the commissioner may approve the use by a unit of local government of an innovative lead hazard reduction method which is consistent in approach with methods established under this section.

(j) The commissioner shall adopt rules for issuing lead orders required under section 144.9504, rules for notification of abatement or interim control activities requirements, and other rules necessary to implement sections 144.9501 to 144.9512.

(k) The commissioner shall adopt rules consistent with section 402(c)(3) of the Toxic Substances Control Act and all regulations adopted thereunder to ensure that renovation in a pre-1978 affected property ~~where a child or pregnant female resides~~ is conducted in a manner that protects health and

the environment. Notwithstanding sections 14.125 and 14.128, the authority to adopt these rules does not expire.

(l) The commissioner shall adopt rules consistent with sections 406(a) and 406(b) of the Toxic Substances Control Act. Notwithstanding sections 14.125 and 14.128, the authority to adopt these rules does not expire.

Sec. 29. Minnesota Statutes 2022, section 148.512, subdivision 10a, is amended to read:

Subd. 10a. **Hearing aid.** "Hearing aid" means ~~an instrument~~ a prescribed aid, or any of its parts, worn in the ear canal and designed to or represented as being able to aid or enhance human hearing. "Hearing aid" includes the aid's parts, attachments, or accessories, including, but not limited to, ear molds and behind the ear (BTE) devices with or without an ear mold. Batteries and cords are not parts, attachments, or accessories of a hearing aid. Surgically implanted hearing aids, and assistive listening devices not worn within the ear canal, are not hearing aids.

Sec. 30. Minnesota Statutes 2022, section 148.512, subdivision 10b, is amended to read:

Subd. 10b. **Hearing aid dispensing.** "Hearing aid dispensing" means making ear mold impressions, prescribing, ~~or recommending~~ a hearing aid, assisting the consumer in prescription aid selection, selling hearing aids at retail, or testing human hearing in connection with these activities regardless of whether the person conducting these activities has a monetary interest in the dispensing of prescription hearing aids to the consumer. Hearing aid dispensing does not include selling over-the-counter hearing aids.

Sec. 31. Minnesota Statutes 2022, section 148.512, is amended by adding a subdivision to read:

Subd. 10c. **Over-the-counter hearing aid or OTC hearing aid.** "Over-the-counter hearing aid" or "OTC hearing aid" has the meaning given to that term in Code of Federal Regulations, title 21, section 800.30(b).

Sec. 32. Minnesota Statutes 2022, section 148.512, is amended by adding a subdivision to read:

Subd. 13a. **Prescription hearing aid.** "Prescription hearing aid" means a hearing aid requiring a prescription from a certified hearing aid dispenser or licensed audiologist that is not an OTC hearing aid.

Sec. 33. Minnesota Statutes 2022, section 148.513, is amended by adding a subdivision to read:

Subd. 4. **Over-the-counter hearing aids.** Nothing in sections 148.511 to 148.5198 shall preclude licensed audiologists from dispensing or selling over-the-counter hearing aids.

Sec. 34. Minnesota Statutes 2022, section 148.515, subdivision 6, is amended to read:

Subd. 6. **Dispensing audiologist examination requirements.** (a) Audiologists are exempt from the written examination requirement in section 153A.14, subdivision 2h, paragraph (a), clause (1).

(b) After July 31, 2005, all applicants for audiologist licensure under sections 148.512 to 148.5198 must achieve a passing score on the practical tests of proficiency described in section 153A.14,

subdivision 2h, paragraph (a), clause (2), within the time period described in section 153A.14, subdivision 2h, paragraph (c).

(c) In order to dispense prescription hearing aids as a sole proprietor, member of a partnership, or for a limited liability company, corporation, or any other entity organized for profit, a licensee who obtained audiologist licensure under sections 148.512 to 148.5198, before August 1, 2005, and who is not certified to dispense prescription hearing aids under chapter 153A, must achieve a passing score on the practical tests of proficiency described in section 153A.14, subdivision 2h, paragraph (a), clause (2), within the time period described in section 153A.14, subdivision 2h, paragraph (c). All other audiologist licensees who obtained licensure before August 1, 2005, are exempt from the practical tests.

(d) An applicant for an audiology license who obtains a temporary license under section 148.5175 may dispense prescription hearing aids only under supervision of a licensed audiologist who dispenses prescription hearing aids.

Sec. 35. Minnesota Statutes 2022, section 148.5175, is amended to read:

148.5175 TEMPORARY LICENSURE.

(a) The commissioner shall issue temporary licensure as a speech-language pathologist, an audiologist, or both, to an applicant who:

(1) submits a signed and dated affidavit stating that the applicant is not the subject of a disciplinary action or past disciplinary action in this or another jurisdiction and is not disqualified on the basis of section 148.5195, subdivision 3; and

(2) either:

(i) provides a copy of a current credential as a speech-language pathologist, an audiologist, or both, held in the District of Columbia or a state or territory of the United States; or

(ii) provides a copy of a current certificate of clinical competence issued by the American Speech-Language-Hearing Association or board certification in audiology by the American Board of Audiology.

(b) A temporary license issued to a person under this subdivision expires 90 days after it is issued or on the date the commissioner grants or denies licensure, whichever occurs first.

(c) Upon application, a temporary license shall be renewed twice to a person who is able to demonstrate good cause for failure to meet the requirements for licensure within the initial temporary licensure period and who is not the subject of a disciplinary action or disqualified on the basis of section 148.5195, subdivision 3. Good cause includes but is not limited to inability to take and complete the required practical exam for dispensing prescription hearing ~~instruments~~ aids.

(d) Upon application, a temporary license shall be issued to a person who meets the requirements of section 148.515, subdivisions 2a and 4, but has not completed the requirement in section 148.515, subdivision 6.

Sec. 36. Minnesota Statutes 2022, section 148.5195, subdivision 3, is amended to read:

Subd. 3. **Grounds for disciplinary action by commissioner.** The commissioner may take any of the disciplinary actions listed in subdivision 4 on proof that the individual has:

(1) intentionally submitted false or misleading information to the commissioner or the advisory council;

(2) failed, within 30 days, to provide information in response to a written request by the commissioner or advisory council;

(3) performed services of a speech-language pathologist or audiologist in an incompetent or negligent manner;

(4) violated sections 148.511 to 148.5198;

(5) failed to perform services with reasonable judgment, skill, or safety due to the use of alcohol or drugs, or other physical or mental impairment;

(6) violated any state or federal law, rule, or regulation, and the violation is a felony or misdemeanor, an essential element of which is dishonesty, or which relates directly or indirectly to the practice of speech-language pathology or audiology. Conviction for violating any state or federal law which relates to speech-language pathology or audiology is necessarily considered to constitute a violation, except as provided in chapter 364;

(7) aided or abetted another person in violating any provision of sections 148.511 to 148.5198;

(8) been or is being disciplined by another jurisdiction, if any of the grounds for the discipline is the same or substantially equivalent to those under sections 148.511 to 148.5198;

(9) not cooperated with the commissioner or advisory council in an investigation conducted according to subdivision 1;

(10) advertised in a manner that is false or misleading;

(11) engaged in conduct likely to deceive, defraud, or harm the public; or demonstrated a willful or careless disregard for the health, welfare, or safety of a client;

(12) failed to disclose to the consumer any fee splitting or any promise to pay a portion of a fee to any other professional other than a fee for services rendered by the other professional to the client;

(13) engaged in abusive or fraudulent billing practices, including violations of federal Medicare and Medicaid laws, Food and Drug Administration regulations, or state medical assistance laws;

(14) obtained money, property, or services from a consumer through the use of undue influence, high pressure sales tactics, harassment, duress, deception, or fraud;

(15) performed services for a client who had no possibility of benefiting from the services;

(16) failed to refer a client for medical evaluation or to other health care professionals when appropriate or when a client indicated symptoms associated with diseases that could be medically or surgically treated;

(17) had the certification required by chapter 153A denied, suspended, or revoked according to chapter 153A;

(18) used the term doctor of audiology, doctor of speech-language pathology, AuD, or SLPD without having obtained the degree from an institution accredited by the North Central Association of Colleges and Secondary Schools, the Council on Academic Accreditation in Audiology and Speech-Language Pathology, the United States Department of Education, or an equivalent;

(19) failed to comply with the requirements of section 148.5192 regarding supervision of speech-language pathology assistants; or

(20) if the individual is an audiologist or certified prescription hearing instrument aid dispenser:

(i) prescribed ~~or otherwise recommended~~ to a consumer or potential consumer the use of a prescription hearing instrument aid, unless the prescription from a physician ~~or recommendation from~~ an audiologist, or a certified dispenser is in writing, is based on an audiogram that is delivered to the consumer or potential consumer when the prescription ~~or recommendation~~ is made, and bears the following information in all capital letters of 12-point or larger boldface type: "THIS PRESCRIPTION ~~OR RECOMMENDATION~~ MAY BE FILLED BY, AND PRESCRIPTION HEARING INSTRUMENTS AIDS MAY BE PURCHASED FROM, THE LICENSED AUDIOLOGIST OR CERTIFIED DISPENSER OF YOUR CHOICE";

(ii) failed to give a copy of the audiogram, upon which the prescription ~~or recommendation~~ is based, to the consumer when the consumer requests a copy;

(iii) failed to provide the consumer rights brochure required by section 148.5197, subdivision 3;

(iv) failed to comply with restrictions on sales of prescription hearing instruments aids in sections 148.5197, subdivision 3, and 148.5198;

(v) failed to return a consumer's prescription hearing instrument aid used as a trade-in or for a discount in the price of a new prescription hearing instrument aid when requested by the consumer upon cancellation of the purchase agreement;

(vi) failed to follow Food and Drug Administration or Federal Trade Commission regulations relating to dispensing prescription hearing instruments aids;

(vii) failed to dispense a prescription hearing instrument aid in a competent manner or without appropriate training;

(viii) delegated prescription hearing instrument aid dispensing authority to a person not authorized to dispense a prescription hearing instrument aid under this chapter or chapter 153A;

(ix) failed to comply with the requirements of an employer or supervisor of a prescription hearing instrument aid dispenser trainee;

(x) violated a state or federal court order or judgment, including a conciliation court judgment, relating to the activities of the individual's prescription hearing instrument aid dispensing; or

(xi) failed to include on the audiogram the practitioner's printed name, credential type, credential number, signature, and date.

Sec. 37. Minnesota Statutes 2022, section 148.5196, subdivision 1, is amended to read:

Subdivision 1. **Membership.** The commissioner shall appoint 12 persons to a Speech-Language Pathologist and Audiologist Advisory Council. The 12 persons must include:

(1) three public members, as defined in section 214.02. Two of the public members shall be either persons receiving services of a speech-language pathologist or audiologist, or family members of or caregivers to such persons, and at least one of the public members shall be either a hearing ~~instrument~~ aid user or an advocate of one;

(2) three speech-language pathologists licensed under sections 148.511 to 148.5198, one of whom is currently and has been, for the five years immediately preceding the appointment, engaged in the practice of speech-language pathology in Minnesota and each of whom is employed in a different employment setting including, but not limited to, private practice, hospitals, rehabilitation settings, educational settings, and government agencies;

(3) one speech-language pathologist licensed under sections 148.511 to 148.5198, who is currently and has been, for the five years immediately preceding the appointment, employed by a Minnesota public school district or a Minnesota public school district consortium that is authorized by Minnesota Statutes and who is licensed in speech-language pathology by the Professional Educator Licensing and Standards Board;

(4) three audiologists licensed under sections 148.511 to 148.5198, two of whom are currently and have been, for the five years immediately preceding the appointment, engaged in the practice of audiology and the dispensing of prescription hearing instruments aids in Minnesota and each of whom is employed in a different employment setting including, but not limited to, private practice, hospitals, rehabilitation settings, educational settings, industry, and government agencies;

(5) one nonaudiologist prescription hearing instrument aid dispenser recommended by a professional association representing prescription hearing instrument aid dispensers; and

(6) one physician licensed under chapter 147 and certified by the American Board of Otolaryngology, Head and Neck Surgery.

Sec. 38. Minnesota Statutes 2022, section 148.5197, is amended to read:

148.5197 HEARING AID DISPENSING.

Subdivision 1. **Content of contracts.** Oral statements made by an audiologist or certified dispenser regarding the provision of warranties, refunds, and service on the prescription hearing aid or aids dispensed must be written on, and become part of, the contract of sale, specify the item or items covered, and indicate the person or business entity obligated to provide the warranty, refund, or service.

Subd. 2. **Required use of license number.** The audiologist's license number or certified dispenser's certificate number must appear on all contracts, bills of sale, and receipts used in the sale of prescription hearing aids.

Subd. 3. **Consumer rights information.** An audiologist or certified dispenser shall, at the time of the ~~recommendation~~ or prescription, give a consumer rights brochure, prepared by the commissioner and containing information about legal requirements pertaining to dispensing of prescription hearing aids, to each potential consumer of a prescription hearing aid. The brochure must contain information about the consumer information center described in section 153A.18. A contract for a prescription hearing aid must note the receipt of the brochure by the consumer, along with the consumer's signature or initials.

Subd. 4. **Liability for contracts.** Owners of entities in the business of dispensing prescription hearing aids, employers of audiologists or persons who dispense prescription hearing aids, supervisors of trainees or audiology students, and hearing aid dispensers conducting the transaction at issue are liable for satisfying all terms of contracts, written or oral, made by their agents, employees, assignees, affiliates, or trainees, including terms relating to products, repairs, warranties, service, and refunds. The commissioner may enforce the terms of prescription hearing aid contracts against the principal, employer, supervisor, or dispenser who conducted the transaction and may impose any remedy provided for in this chapter.

Sec. 39. Minnesota Statutes 2022, section 148.5198, is amended to read:

148.5198 RESTRICTION ON SALE OF PRESCRIPTION HEARING AIDS.

Subdivision 1. **45-calendar-day guarantee and buyer right to cancel.** (a) An audiologist or certified dispenser dispensing a prescription hearing aid in this state must comply with paragraphs (b) and (c).

(b) The audiologist or certified dispenser must provide the buyer with a 45-calendar-day written money-back guarantee. The guarantee must permit the buyer to cancel the purchase for any reason within 45 calendar days after receiving the prescription hearing aid by giving or mailing written notice of cancellation to the audiologist or certified dispenser. If the buyer mails the notice of cancellation, the 45-calendar-day period is counted using the postmark date, to the date of receipt by the audiologist or certified dispenser. If the prescription hearing aid must be repaired, remade, or adjusted during the 45-calendar-day money-back guarantee period, the running of the 45-calendar-day period is suspended one day for each 24-hour period that the prescription hearing aid is not in the buyer's possession. A repaired, remade, or adjusted prescription hearing aid must be claimed by the buyer within three business days after notification of availability, after which time the running of the 45-calendar-day period resumes. The guarantee must entitle the buyer, upon cancellation, to receive a refund of payment within 30 days of return of the prescription hearing aid to the audiologist or certified dispenser. The audiologist or certified dispenser may retain as a cancellation fee no more than \$250 of the buyer's total purchase price of the prescription hearing aid.

(c) The audiologist or certified dispenser shall provide the buyer with a contract written in plain English, that contains uniform language and provisions that meet the requirements under the Plain Language Contract Act, sections 325G.29 to 325G.36. The contract must include, but is not limited

to, the following: in immediate proximity to the space reserved for the signature of the buyer, or on the first page if there is no space reserved for the signature of the buyer, a clear and conspicuous disclosure of the following specific statement in all capital letters of no less than 12-point boldface type: "MINNESOTA STATE LAW GIVES THE BUYER THE RIGHT TO CANCEL THIS PURCHASE FOR ANY REASON AT ANY TIME PRIOR TO MIDNIGHT OF THE 45TH CALENDAR DAY AFTER RECEIPT OF THE PRESCRIPTION HEARING AID(S). THIS CANCELLATION MUST BE IN WRITING AND MUST BE GIVEN OR MAILED TO THE AUDIOLOGIST OR CERTIFIED DISPENSER. IF THE BUYER DECIDES TO RETURN THE PRESCRIPTION HEARING AID(S) WITHIN THIS 45-CALENDAR-DAY PERIOD, THE BUYER WILL RECEIVE A REFUND OF THE TOTAL PURCHASE PRICE OF THE AID(S) FROM WHICH THE AUDIOLOGIST OR CERTIFIED DISPENSER MAY RETAIN AS A CANCELLATION FEE NO MORE THAN \$250."

Subd. 2. **Itemized repair bill.** Any audiologist, certified dispenser, or company who agrees to repair a prescription hearing aid must provide the owner of the prescription hearing aid, or the owner's representative, with a bill that describes the repair and services rendered. The bill must also include the repairing audiologist's, certified dispenser's, or company's name, address, and telephone number.

This subdivision does not apply to an audiologist, certified dispenser, or company that repairs a prescription hearing aid pursuant to an express warranty covering the entire prescription hearing aid and the warranty covers the entire cost, both parts and labor, of the repair.

Subd. 3. **Repair warranty.** Any guarantee of prescription hearing aid repairs must be in writing and delivered to the owner of the prescription hearing aid, or the owner's representative, stating the repairing audiologist's, certified dispenser's, or company's name, address, telephone number, length of guarantee, model, and serial number of the prescription hearing aid and all other terms and conditions of the guarantee.

Subd. 4. **Misdemeanor.** A person found to have violated this section is guilty of a misdemeanor.

Subd. 5. **Additional.** In addition to the penalty provided in subdivision 4, a person found to have violated this section is subject to the penalties and remedies provided in section 325F.69, subdivision 1.

Subd. 6. **Estimates.** Upon the request of the owner of a prescription hearing aid or the owner's representative for a written estimate and prior to the commencement of repairs, a repairing audiologist, certified dispenser, or company shall provide the customer with a written estimate of the price of repairs. If a repairing audiologist, certified dispenser, or company provides a written estimate of the price of repairs, it must not charge more than the total price stated in the estimate for the repairs. If the repairing audiologist, certified dispenser, or company after commencing repairs determines that additional work is necessary to accomplish repairs that are the subject of a written estimate and if the repairing audiologist, certified dispenser, or company did not unreasonably fail to disclose the possible need for the additional work when the estimate was made, the repairing audiologist, certified dispenser, or company may charge more than the estimate for the repairs if the repairing audiologist, certified dispenser, or company immediately provides the owner or owner's representative a revised written estimate pursuant to this section and receives authorization to continue with the repairs. If continuation of the repairs is not authorized, the repairing audiologist, certified dispenser, or company

shall return the prescription hearing aid as close as possible to its former condition and shall release the prescription hearing aid to the owner or owner's representative upon payment of charges for repairs actually performed and not in excess of the original estimate.

Sec. 40. Minnesota Statutes 2022, section 151.37, subdivision 12, is amended to read:

Subd. 12. **Administration of opiate antagonists for drug overdose.** (a) A licensed physician, a licensed advanced practice registered nurse authorized to prescribe drugs pursuant to section 148.235, or a licensed physician assistant may authorize the following individuals to administer opiate antagonists, as defined in section 604A.04, subdivision 1:

- (1) an emergency medical responder registered pursuant to section 144E.27;
- (2) a peace officer as defined in section 626.84, subdivision 1, paragraphs (c) and (d);
- (3) correctional employees of a state or local political subdivision;
- (4) staff of community-based health disease prevention or social service programs;
- (5) a volunteer firefighter; and

(6) a licensed school nurse or certified public health nurse any other personnel employed by, or under contract with, a school board under section 121A.21 charter, public, or private school.

(b) For the purposes of this subdivision, opiate antagonists may be administered by one of these individuals only if:

(1) the licensed physician, licensed physician assistant, or licensed advanced practice registered nurse has issued a standing order to, or entered into a protocol with, the individual; and

(2) the individual has training in the recognition of signs of opiate overdose and the use of opiate antagonists as part of the emergency response to opiate overdose.

(c) Nothing in this section prohibits the possession and administration of naloxone pursuant to section 604A.04.

(d) Notwithstanding section 148.235, subdivisions 8 and 9, a licensed practical nurse is authorized to possess and administer according to this subdivision an opiate antagonist in a school setting.

Sec. 41. Minnesota Statutes 2022, section 152.29, subdivision 3a, is amended to read:

Subd. 3a. **Transportation of medical cannabis; transport staffing.** (a) A medical cannabis manufacturer may staff a transport motor vehicle with only one employee if the medical cannabis manufacturer is transporting medical cannabis to either a certified laboratory for the purpose of testing or a facility for the purpose of disposal. If the medical cannabis manufacturer is transporting medical cannabis for any other purpose or destination, the transport motor vehicle must be staffed with a minimum of two employees as required by rules adopted by the commissioner.

(b) Notwithstanding paragraph (a), a medical cannabis manufacturer that is only transporting hemp for any purpose may staff the transport motor vehicle with only one employee.

(c) A medical cannabis manufacturer may contract with a third party for armored car services for deliveries of medical cannabis from its production facility to distribution facilities. A medical cannabis manufacturer that contracts for armored car services remains responsible for the transportation manifest and inventory tracking requirements in rules adopted by the commissioner.

(d) Department of Health staff may transport medical cannabis for the purposes of delivering medical cannabis and other samples to a laboratory for testing under rules adopted by the commissioner and in cases of special investigations when the commissioner has determined there is a potential threat to public health. The transport motor vehicle must be staffed with a minimum of two Department of Health employees. The employees must carry with them their Department of Health identification card and a transport manifest.

Sec. 42. Minnesota Statutes 2022, section 153A.13, subdivision 3, is amended to read:

~~Subd. 3. **Hearing instrument aid.** "Hearing instrument aid" means an instrument, or any of its parts, worn in the ear canal and designed to or represented as being able to aid or enhance human hearing. "Hearing instrument" includes the instrument's parts, attachments, or accessories, including, but not limited to, ear molds and behind the ear (BTE) devices with or without an ear mold. Batteries and cords are not parts, attachments, or accessories of a hearing instrument. Surgically implanted hearing instruments, and assistive listening devices not worn within the ear canal, are not hearing instruments. as defined in section 148.512, subdivision 10a.~~

Sec. 43. Minnesota Statutes 2022, section 153A.13, subdivision 4, is amended to read:

~~Subd. 4. **Hearing instrument aid dispensing.** "Hearing instrument aid dispensing" means making ear mold impressions, prescribing, or recommending a hearing instrument, assisting the consumer in instrument selection, selling hearing instruments at retail, or testing human hearing in connection with these activities regardless of whether the person conducting these activities has a monetary interest in the sale of hearing instruments to the consumer. has the meaning given in section 148.512, subdivision 10b.~~

Sec. 44. Minnesota Statutes 2022, section 153A.13, subdivision 5, is amended to read:

~~Subd. 5. **Dispenser of hearing instruments aids.** "Dispenser of hearing instruments aids" means a natural person who engages in prescription hearing instrument aid dispensing, whether or not certified by the commissioner of health or licensed by an existing health-related board, except that a person described as follows is not a dispenser of prescription hearing instruments aids:~~

~~(1) a student participating in supervised field work that is necessary to meet requirements of an accredited educational program if the student is designated by a title which clearly indicates the student's status as a student trainee; or~~

~~(2) a person who helps a dispenser of prescription hearing instruments aids in an administrative or clerical manner and does not engage in prescription hearing instrument aid dispensing.~~

~~A person who offers to dispense a prescription hearing instrument aid, or a person who advertises, holds out to the public, or otherwise represents that the person is authorized to dispense prescription hearing instruments aids, must be certified by the commissioner except when the person is an audiologist as defined in section 148.512.~~

Sec. 45. Minnesota Statutes 2022, section 153A.13, subdivision 6, is amended to read:

Subd. 6. **Advisory council.** "Advisory council" means the Minnesota Hearing ~~Instrument Aid~~ Dispenser Advisory Council, or a committee of ~~it~~ the council, established under section 153A.20.

Sec. 46. Minnesota Statutes 2022, section 153A.13, subdivision 7, is amended to read:

Subd. 7. **ANSI.** "ANSI" means ~~ANSI S3.6-1989~~, American National Standard Specification for Audiometers ~~from the American National Standards Institute. This document is available through the Minitex interlibrary loan system~~ as defined in the United States Food and Drug Administration, Code of Federal Regulations, title 21, section 874.1050.

Sec. 47. Minnesota Statutes 2022, section 153A.13, subdivision 9, is amended to read:

Subd. 9. **Supervision.** "Supervision" means monitoring activities of, and accepting responsibility for, the prescription hearing instrument aid dispensing activities of a trainee.

Sec. 48. Minnesota Statutes 2022, section 153A.13, subdivision 10, is amended to read:

Subd. 10. **Direct supervision or directly supervised.** "Direct supervision" or "directly supervised" means the on-site and contemporaneous location of a supervisor and trainee, when the supervisor observes the trainee engaging in prescription hearing instrument aid dispensing with a consumer.

Sec. 49. Minnesota Statutes 2022, section 153A.13, subdivision 11, is amended to read:

Subd. 11. **Indirect supervision or indirectly supervised.** "Indirect supervision" or "indirectly supervised" means the remote and independent performance of prescription hearing instrument aid dispensing by a trainee when authorized under section 153A.14, subdivision 4a, paragraph (b).

Sec. 50. Minnesota Statutes 2022, section 153A.13, is amended by adding a subdivision to read:

Subd. 12. **Over-the-counter hearing aid or OTC hearing aid.** "Over-the-counter hearing aid" or "OTC hearing aid" has the meaning given in section 148.512, subdivision 10c.

Sec. 51. Minnesota Statutes 2022, section 153A.13, is amended by adding a subdivision to read:

Subd. 13. **Prescription hearing aid.** "Prescription hearing aid" has the meaning given in section 148.512, subdivision 13a.

Sec. 52. Minnesota Statutes 2022, section 153A.14, subdivision 1, is amended to read:

Subdivision 1. **Application for certificate.** An applicant must:

(1) be 21 years of age or older;

(2) apply to the commissioner for a certificate to dispense prescription hearing instruments aids on application forms provided by the commissioner;

(3) at a minimum, provide the applicant's name, Social Security number, business address and phone number, employer, and information about the applicant's education, training, and experience in testing human hearing and fitting prescription hearing instruments aids;

(4) include with the application a statement that the statements in the application are true and correct to the best of the applicant's knowledge and belief;

(5) include with the application a written and signed authorization that authorizes the commissioner to make inquiries to appropriate regulatory agencies in this or any other state where the applicant has sold prescription hearing instruments aids;

(6) submit certification to the commissioner that the applicant's audiometric equipment has been calibrated to meet current ANSI standards within 12 months of the date of the application;

(7) submit evidence of continuing education credits, if required;

(8) submit all fees as required under section 153A.17; and

(9) consent to a fingerprint-based criminal history records check required under section 144.0572, pay all required fees, and cooperate with all requests for information. An applicant must complete a new criminal background check if more than one year has elapsed since the applicant last applied for a license.

Sec. 53. Minnesota Statutes 2022, section 153A.14, subdivision 2, is amended to read:

Subd. 2. **Issuance of certificate.** (a) The commissioner shall issue a certificate to each dispenser of prescription hearing instruments aids who applies under subdivision 1 if the commissioner determines that the applicant is in compliance with this chapter, has passed an examination administered by the commissioner, has met the continuing education requirements, if required, and has paid the fee set by the commissioner. The commissioner may reject or deny an application for a certificate if there is evidence of a violation or failure to comply with this chapter.

(b) The commissioner shall not issue a certificate to an applicant who refuses to consent to a criminal history background check as required by section 144.0572 within 90 days after submission of an application or fails to submit fingerprints to the Department of Human Services. Any fees paid by the applicant to the Department of Health shall be forfeited if the applicant refuses to consent to the background study.

Sec. 54. Minnesota Statutes 2022, section 153A.14, subdivision 2h, is amended to read:

Subd. 2h. **Certification by examination.** An applicant must achieve a passing score, as determined by the commissioner, on an examination according to paragraphs (a) to (c).

(a) The examination must include, but is not limited to:

(1) A written examination approved by the commissioner covering the following areas as they pertain to prescription hearing instrument aid selling:

(i) basic physics of sound;

- (ii) the anatomy and physiology of the ear;
- (iii) the function of prescription hearing instruments aids; and
- (iv) the principles of prescription hearing instrument aid selection.

(2) Practical tests of proficiency in the following techniques as they pertain to prescription hearing instrument aid selling:

- (i) pure tone audiometry, including air conduction testing and bone conduction testing;
- (ii) live voice or recorded voice speech audiometry including speech recognition (discrimination) testing, most comfortable loudness level, and uncomfortable loudness measurements of tolerance thresholds;
- (iii) masking when indicated;
- (iv) recording and evaluation of audiograms and speech audiometry to determine proper selection and fitting of a prescription hearing instrument aid;
- (v) taking ear mold impressions;
- (vi) using an otoscope for the visual observation of the entire ear canal; and
- (vii) state and federal laws, rules, and regulations.

(b) The practical examination shall be administered by the commissioner at least twice a year.

(c) An applicant must achieve a passing score on all portions of the examination within a two-year period. An applicant who does not achieve a passing score on all portions of the examination within a two-year period must retake the entire examination and achieve a passing score on each portion of the examination. An applicant who does not apply for certification within one year of successful completion of the examination must retake the examination and achieve a passing score on each portion of the examination. An applicant may not take any part of the practical examination more than three times in a two-year period.

Sec. 55. Minnesota Statutes 2022, section 153A.14, subdivision 2i, is amended to read:

Subd. 2i. **Continuing education requirement.** On forms provided by the commissioner, each certified dispenser must submit with the application for renewal of certification evidence of completion of ten course hours of continuing education earned within the 12-month period of November 1 to October 31, between the effective and expiration dates of certification. Continuing education courses must be directly related to prescription hearing instrument aid dispensing and approved by the International Hearing Society, the American Speech-Language-Hearing Association, or the American Academy of Audiology. Evidence of completion of the ten course hours of continuing education must be submitted by December 1 of each year. This requirement does not apply to dispensers certified for less than one year.

Sec. 56. Minnesota Statutes 2022, section 153A.14, subdivision 2j, is amended to read:

Subd. 2j. **Required use of certification number.** The certification holder must use the certification number on all contracts, bills of sale, and receipts used in the sale of prescription hearing instruments aids.

Sec. 57. Minnesota Statutes 2022, section 153A.14, subdivision 4, is amended to read:

Subd. 4. **Dispensing of prescription hearing instruments aids without certificate.** Except as provided in subdivisions 4a and 4c, and in sections 148.512 to 148.5198, it is unlawful for any person not holding a valid certificate to dispense a prescription hearing instrument aid as defined in section 153A.13, subdivision 3. A person who dispenses a prescription hearing instrument aid without the certificate required by this section is guilty of a gross misdemeanor.

Sec. 58. Minnesota Statutes 2022, section 153A.14, subdivision 4a, is amended to read:

Subd. 4a. **Trainees.** (a) A person who is not certified under this section may dispense prescription hearing instruments aids as a trainee for a period not to exceed 12 months if the person:

- (1) submits an application on forms provided by the commissioner;
- (2) is under the supervision of a certified dispenser meeting the requirements of this subdivision;
- (3) meets all requirements for certification except passage of the examination required by this section; and
- (4) uses the title "dispenser trainee" in contacts with the patients, clients, or consumers.

(b) A certified prescription hearing instrument aid dispenser may not supervise more than two trainees at the same time and may not directly supervise more than one trainee at a time. The certified dispenser is responsible for all actions or omissions of a trainee in connection with the dispensing of prescription hearing instruments aids. A certified dispenser may not supervise a trainee if there are any commissioner, court, or other orders, currently in effect or issued within the last five years, that were issued with respect to an action or omission of a certified dispenser or a trainee under the certified dispenser's supervision.

Until taking and passing the practical examination testing the techniques described in subdivision 2h, paragraph (a), clause (2), trainees must be directly supervised in all areas described in subdivision 4b, and the activities tested by the practical examination. Thereafter, trainees may dispense prescription hearing instruments aids under indirect supervision until expiration of the trainee period. Under indirect supervision, the trainee must complete two monitored activities a week. Monitored activities may be executed by correspondence, telephone, or other telephonic devices, and include, but are not limited to, evaluation of audiograms, written reports, and contracts. The time spent in supervision must be recorded and the record retained by the supervisor.

Sec. 59. Minnesota Statutes 2022, section 153A.14, subdivision 4b, is amended to read:

Subd. 4b. **Prescription hearing testing protocol.** A dispenser when conducting a hearing test for the purpose of prescription hearing instrument aid dispensing must:

- (1) comply with the United States Food and Drug Administration warning regarding potential medical conditions required by Code of Federal Regulations, title 21, section ~~801.420~~ 801.422;

(2) complete a case history of the client's hearing;

(3) inspect the client's ears with an otoscope; and

(4) conduct the following tests on both ears of the client and document the results, and if for any reason one of the following tests cannot be performed pursuant to the United States Food and Drug Administration guidelines, an audiologist shall evaluate the hearing and the need for a prescription hearing instrument aid:

(i) air conduction at 250, 500, 1,000, 2,000, 4,000, and 8,000 Hertz. When a difference of 20 dB or more occurs between adjacent octave frequencies the interoctave frequency must be tested;

(ii) bone conduction at 500, 1,000, 2,000, and 4,000 Hertz for any frequency where the air conduction threshold is greater than 15 dB HL;

(iii) monaural word recognition (discrimination), with a minimum of 25 words presented for each ear; and

(iv) loudness discomfort level, monaural, for setting a prescription hearing instrument's aid's maximum power output; and

(5) include masking in all tests whenever necessary to ensure accurate results.

Sec. 60. Minnesota Statutes 2022, section 153A.14, subdivision 4c, is amended to read:

Subd. 4c. **Reciprocity.** (a) A person who has dispensed prescription hearing instruments aids in another jurisdiction may dispense prescription hearing instruments aids as a trainee under indirect supervision if the person:

(1) satisfies the provisions of subdivision 4a, paragraph (a);

(2) submits a signed and dated affidavit stating that the applicant is not the subject of a disciplinary action or past disciplinary action in this or another jurisdiction and is not disqualified on the basis of section 153A.15, subdivision 1; and

(3) provides a copy of a current credential as a prescription hearing instrument aid dispenser held in the District of Columbia or a state or territory of the United States.

(b) A person becoming a trainee under this subdivision who fails to take and pass the practical examination described in subdivision 2h, paragraph (a), clause (2), when next offered must cease dispensing prescription hearing instruments aids unless under direct supervision.

Sec. 61. Minnesota Statutes 2022, section 153A.14, subdivision 4e, is amended to read:

Subd. 4e. **Prescription hearing aids; enforcement.** Costs incurred by the Minnesota Department of Health for conducting investigations of unlicensed prescription hearing aid dispensers dispensing shall be apportioned between all licensed or credentialed professions that dispense prescription hearing aids.

Sec. 62. Minnesota Statutes 2022, section 153A.14, subdivision 6, is amended to read:

Subd. 6. **Prescription hearing instruments aids to comply with federal and state requirements.** The commissioner shall ensure that prescription hearing instruments aids are dispensed in compliance with state requirements and the requirements of the United States Food and Drug Administration. Failure to comply with state or federal regulations may be grounds for enforcement actions under section 153A.15, subdivision 2.

Sec. 63. Minnesota Statutes 2022, section 153A.14, subdivision 9, is amended to read:

Subd. 9. **Consumer rights.** A prescription hearing instrument aid dispenser shall comply with the requirements of sections 148.5195, subdivision 3, clause (20); 148.5197; and 148.5198.

Sec. 64. Minnesota Statutes 2022, section 153A.14, subdivision 11, is amended to read:

Subd. 11. **Requirement to maintain current information.** A dispenser must notify the commissioner in writing within 30 days of the occurrence of any of the following:

(1) a change of name, address, home or business telephone number, or business name;

(2) the occurrence of conduct prohibited by section 153A.15;

(3) a settlement, conciliation court judgment, or award based on negligence, intentional acts, or contractual violations committed in the dispensing of prescription hearing instruments aids by the dispenser; and

(4) the cessation of prescription hearing instrument aid dispensing activities as an individual or a business.

Sec. 65. Minnesota Statutes 2022, section 153A.14, is amended by adding a subdivision to read:

Subd. 12. **Over-the-counter hearing aids.** Nothing in this chapter shall preclude certified hearing aid dispensers from dispensing or selling over-the-counter hearing aids.

Sec. 66. Minnesota Statutes 2022, section 153A.15, subdivision 1, is amended to read:

Subdivision 1. **Prohibited acts.** The commissioner may take enforcement action as provided under subdivision 2 against a dispenser of prescription hearing instruments aids for the following acts and conduct:

(1) dispensing a prescription hearing instrument aid to a minor person 18 years or younger unless evaluated by an audiologist for hearing evaluation and prescription hearing aid evaluation;

(2) being disciplined through a revocation, suspension, restriction, or limitation by another state for conduct subject to action under this chapter;

(3) presenting advertising that is false or misleading;

(4) providing the commissioner with false or misleading statements of credentials, training, or experience;

(5) engaging in conduct likely to deceive, defraud, or harm the public; or demonstrating a willful or careless disregard for the health, welfare, or safety of a consumer;

(6) splitting fees or promising to pay a portion of a fee to any other professional other than a fee for services rendered by the other professional to the client;

(7) engaging in abusive or fraudulent billing practices, including violations of federal Medicare and Medicaid laws, Food and Drug Administration regulations, or state medical assistance laws;

(8) obtaining money, property, or services from a consumer through the use of undue influence, high pressure sales tactics, harassment, duress, deception, or fraud;

(9) performing the services of a certified hearing ~~instrument aid~~ dispenser in an incompetent or negligent manner;

(10) failing to comply with the requirements of this chapter as an employer, supervisor, or trainee;

(11) failing to provide information in a timely manner in response to a request by the commissioner, commissioner's designee, or the advisory council;

(12) being convicted within the past five years of violating any laws of the United States, or any state or territory of the United States, and the violation is a felony, gross misdemeanor, or misdemeanor, an essential element of which relates to prescription hearing instrument aid dispensing, except as provided in chapter 364;

(13) failing to cooperate with the commissioner, the commissioner's designee, or the advisory council in any investigation;

(14) failing to perform prescription hearing instrument aid dispensing with reasonable judgment, skill, or safety due to the use of alcohol or drugs, or other physical or mental impairment;

(15) failing to fully disclose actions taken against the applicant or the applicant's legal authorization to dispense prescription hearing instruments aids in this or another state;

(16) violating a state or federal court order or judgment, including a conciliation court judgment, relating to the activities of the applicant in prescription hearing instrument aid dispensing;

(17) having been or being disciplined by the commissioner of the Department of Health, or other authority, in this or another jurisdiction, if any of the grounds for the discipline are the same or substantially equivalent to those in sections 153A.13 to 153A.18;

(18) misrepresenting the purpose of hearing tests, or in any way communicating that the hearing test or hearing test protocol required by section 153A.14, subdivision 4b, is a medical evaluation, a diagnostic hearing evaluation conducted by an audiologist, or is other than a test to select a prescription hearing instrument aid, except that the prescription hearing instrument aid dispenser can determine the need for or recommend the consumer obtain a medical evaluation consistent with requirements of the United States Food and Drug Administration;

(19) violating any of the provisions of sections 148.5195, subdivision 3, clause (20); 148.5197; 148.5198; and 153A.13 to 153A.18; and

(20) aiding or abetting another person in violating any of the provisions of sections 148.5195, subdivision 3, clause (20); 148.5197; 148.5198; and 153A.13 to 153A.18.

Sec. 67. Minnesota Statutes 2022, section 153A.15, subdivision 2, is amended to read:

Subd. 2. **Enforcement actions.** When the commissioner finds that a dispenser of prescription hearing instruments aids has violated one or more provisions of this chapter, the commissioner may do one or more of the following:

(1) deny or reject the application for a certificate;

(2) revoke the certificate;

(3) suspend the certificate;

(4) impose, for each violation, a civil penalty that deprives the dispenser of any economic advantage gained by the violation and that reimburses the Department of Health for costs of the investigation and proceeding resulting in disciplinary action, including the amount paid for services of the Office of Administrative Hearings, the amount paid for services of the Office of the Attorney General, attorney fees, court reporters, witnesses, reproduction of records, advisory council members' per diem compensation, department staff time, and expenses incurred by advisory council members and department staff;

(5) censure or reprimand the dispenser;

(6) revoke or suspend the right to supervise trainees;

(7) revoke or suspend the right to be a trainee;

(8) impose a civil penalty not to exceed \$10,000 for each separate violation; or

(9) any other action reasonably justified by the individual case.

Sec. 68. Minnesota Statutes 2022, section 153A.15, subdivision 4, is amended to read:

Subd. 4. **Penalties.** Except as provided in section 153A.14, subdivision 4, a person violating this chapter is guilty of a misdemeanor. The commissioner may impose an automatic civil penalty equal to one-fourth the renewal fee on each prescription hearing instrument seller aid dispenser who fails to renew the certificate required in section 153A.14 by the renewal deadline.

Sec. 69. Minnesota Statutes 2022, section 153A.17, is amended to read:

153A.17 EXPENSES; FEES.

(a) The expenses for administering the certification requirements, including the complaint handling system for prescription hearing aid dispensers in sections 153A.14 and 153A.15, and the Consumer Information Center under section 153A.18, must be paid from initial application and

examination fees, renewal fees, penalties, and fines. The commissioner shall only use fees collected under this section for the purposes of administering this chapter. The legislature must not transfer money generated by these fees from the state government special revenue fund to the general fund. ~~Surcharges collected by the commissioner of health under section 16E.22 are not subject to this paragraph.~~

(b) The fees are as follows:

(1) the initial certification application fee is \$772.50;

(2) the annual renewal certification application fee is \$750;

(3) the initial examination fee for the practical portion is \$1,200, and \$600 for each time it is taken, thereafter; for individuals meeting the requirements of section 148.515, subdivision 2, the fee for the practical portion of the prescription hearing ~~instrument~~ aid dispensing examination is \$600 each time it is taken;

(4) the trainee application fee is \$230;

(5) the penalty fee for late submission of a renewal application is \$260; and

(6) the fee for verification of certification to other jurisdictions or entities is \$25.

(c) The commissioner may prorate the certification fee for new applicants based on the number of quarters remaining in the annual certification period.

(d) All fees are nonrefundable. All fees, penalties, and fines received must be deposited in the state government special revenue fund.

(e) Hearing instrument dispensers who were certified before January 1, 2018, shall pay a onetime surcharge of \$22.50 to renew their certification when it expires after October 31, 2020. The surcharge shall cover the commissioner's costs associated with criminal background checks.

Sec. 70. Minnesota Statutes 2022, section 153A.175, is amended to read:

153A.175 PENALTY FEES.

(a) The penalty fee for holding oneself out as a hearing ~~instrument~~ aid dispenser without a current certificate after the credential has expired and before it is renewed is one-half the amount of the certificate renewal fee for any part of the first day, plus one-half the certificate renewal fee for any part of any subsequent days up to 30 days.

(b) The penalty fee for applicants who hold themselves out as hearing ~~instrument~~ aid dispensers after expiration of the trainee period and before being issued a certificate is one-half the amount of the certificate application fee for any part of the first day, plus one-half the certificate application fee for any part of any subsequent days up to 30 days. This paragraph does not apply to applicants not qualifying for a certificate who hold themselves out as hearing ~~instrument~~ aid dispensers.

(c) The penalty fee for practicing prescription hearing ~~instrument~~ aid dispensing and failing to submit a continuing education report by the due date with the correct number or type of hours in

the correct time period is \$200 plus \$200 for each missing clock hour. "Missing" means not obtained between the effective and expiration dates of the certificate, the one-month period following the certificate expiration date, or the 30 days following notice of a penalty fee for failing to report all continuing education hours. The certificate holder must obtain the missing number of continuing education hours by the next reporting due date.

(d) Civil penalties and discipline incurred by certificate holders prior to August 1, 2005, for conduct described in paragraph (a), (b), or (c) shall be recorded as nondisciplinary penalty fees. Payment of a penalty fee does not preclude any disciplinary action reasonably justified by the individual case.

Sec. 71. Minnesota Statutes 2022, section 153A.18, is amended to read:

153A.18 CONSUMER INFORMATION CENTER.

The commissioner shall establish a Consumer Information Center to assist actual and potential purchasers of prescription hearing aids by providing them with information regarding prescription hearing instrument aid sales. The Consumer Information Center shall disseminate information about consumers' legal rights related to prescription hearing instrument aid sales, provide information relating to complaints about dispensers of prescription hearing instruments aids, and provide information about outreach and advocacy services for consumers of prescription hearing instruments aids. In establishing the center and developing the information, the commissioner shall consult with representatives of prescription hearing instrument aid dispensers, audiologists, physicians, and consumers.

Sec. 72. Minnesota Statutes 2022, section 153A.20, is amended to read:

153A.20 HEARING INSTRUMENT AID DISPENSER ADVISORY COUNCIL.

Subdivision 1. **Membership.** (a) The commissioner shall appoint seven persons to a Hearing Instrument Aid Dispenser Advisory Council.

(b) The seven persons must include:

(1) three public members, as defined in section 214.02. At least one of the public members shall be a prescription hearing instrument aid user and one of the public members shall be either a prescription hearing instrument aid user or an advocate of one;

(2) three hearing instrument aid dispensers certified under sections 153A.14 to 153A.20, each of whom is currently, and has been for the five years immediately preceding their appointment, engaged in prescription hearing instrument aid dispensing in Minnesota and who represent the occupation of prescription hearing instrument aid dispensing and who are not audiologists; and

(3) one audiologist licensed as an audiologist under chapter 148 who dispenses prescription hearing instruments aids, recommended by a professional association representing audiologists and speech-language pathologists.

(c) The factors the commissioner may consider when appointing advisory council members include, but are not limited to, professional affiliation, geographical location, and type of practice.

(d) No two members of the advisory council shall be employees of, or have binding contracts requiring sales exclusively for, the same prescription hearing instrument aid manufacturer or the same employer.

Subd. 2. **Organization.** The advisory council shall be organized and administered according to section 15.059. The council may form committees to carry out its duties.

Subd. 3. **Duties.** At the commissioner's request, the advisory council shall:

- (1) advise the commissioner regarding hearing instrument aid dispenser certification standards;
- (2) provide for distribution of information regarding hearing instrument aid dispenser certification standards;
- (3) review investigation summaries of competency violations and make recommendations to the commissioner as to whether the allegations of incompetency are substantiated; and
- (4) perform other duties as directed by the commissioner.

Sec. 73. Minnesota Statutes 2022, section 245.4661, subdivision 9, is amended to read:

Subd. 9. **Services and programs.** (a) The following three distinct grant programs are funded under this section:

- (1) mental health crisis services;
- (2) housing with supports for adults with serious mental illness; and
- (3) projects for assistance in transitioning from homelessness (PATH program).

(b) In addition, the following are eligible for grant funds:

- (1) community education and prevention;
- (2) client outreach;
- (3) early identification and intervention;
- (4) adult outpatient diagnostic assessment and psychological testing;
- (5) peer support services;
- (6) community support program services (CSP);
- (7) adult residential crisis stabilization;
- (8) supported employment;
- (9) assertive community treatment (ACT);
- (10) housing subsidies;

- (11) basic living, social skills, and community intervention;
- (12) emergency response services;
- (13) adult outpatient psychotherapy;
- (14) adult outpatient medication management;
- (15) adult mobile crisis services;
- (16) adult day treatment;
- (17) partial hospitalization;
- (18) adult residential treatment;
- (19) adult mental health targeted case management; and
- ~~(20) intensive community rehabilitative services (ICRS); and~~
- ~~(21)~~ (20) transportation.

Sec. 74. Minnesota Statutes 2022, section 245.469, subdivision 3, is amended to read:

Subd. 3. **Mental health crisis services.** The commissioner of human services shall increase access to mental health crisis services for children and adults. In order to increase access, the commissioner must:

- (1) develop a central phone number where calls can be routed to the appropriate crisis services;
- (2) provide telephone consultation 24 hours a day to mobile crisis teams who are serving people with traumatic brain injury or intellectual disabilities who are experiencing a mental health crisis;
- (3) expand crisis services across the state, including rural areas of the state and examining access per population;
- (4) establish and implement state standards and requirements for crisis services as outlined in section 256B.0624; and
- (5) provide grants to adult mental health initiatives, counties, tribes, or community mental health providers to establish new mental health crisis residential service capacity.

Priority will be given to regions that do not have a mental health crisis residential services program, do not have an inpatient psychiatric unit within the region, do not have an inpatient psychiatric unit within 90 miles, or have a demonstrated need based on the number of crisis residential or intensive residential treatment beds available to meet the needs of the residents in the region. At least 50 percent of the funds must be distributed to programs in rural Minnesota. Grant funds may be used for start-up costs, including but not limited to renovations, furnishings, and staff training. Grant applications shall provide details on how the intended service will address identified needs and shall demonstrate collaboration with crisis teams, other mental health providers, hospitals, and police.

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

Sec. 75. **[245.4903] CULTURAL AND ETHNIC MINORITY INFRASTRUCTURE GRANT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of human services must establish a cultural and ethnic minority infrastructure grant program to ensure that mental health and substance use disorder treatment supports and services are culturally specific and culturally responsive to meet the cultural needs of communities served.

Subd. 2. **Eligible applicants.** An eligible applicant is a licensed entity or provider from a cultural or ethnic minority population who:

(1) provides mental health or substance use disorder treatment services and supports to individuals from cultural and ethnic minority populations, including individuals who are lesbian, gay, bisexual, transgender, or queer, and from cultural and ethnic minority populations;

(2) provides, or is qualified and has the capacity to provide, clinical supervision and support to members of culturally diverse and ethnic minority communities so they may become qualified mental health and substance use disorder treatment providers; or

(3) has the capacity and experience to provide training for mental health and substance use disorder treatment providers on cultural competency and cultural humility.

Subd. 3. **Allowable grant activities.** (a) Grantees must engage in activities and provide supportive services to ensure and increase equitable access to culturally specific and responsive care and build organizational and professional capacity for licensure and certification for the communities served. Allowable grant activities include but are not limited to:

(1) providing workforce development activities focused on recruiting, supporting, training, and supervising mental health and substance use disorder practitioners and professionals from diverse racial, cultural, and ethnic communities;

(2) helping members of culturally diverse and ethnic minority communities become qualified mental health and substance use disorder professionals, practitioners, clinical supervisors, recovery peer specialists, mental health certified peer specialists, and mental health certified family peer specialists;

(3) providing culturally specific outreach, early intervention, trauma-informed services, and recovery support in mental health and substance use disorder services;

(4) providing trauma-informed and culturally responsive mental health and substance use disorder supports and services to children and families, youth, or adults who are from cultural and ethnic minority backgrounds and are uninsured or underinsured;

(5) expanding mental health and substance use disorder services, particularly in greater Minnesota;

(6) training for mental health and substance use disorder treatment providers on cultural competency and cultural humility; and

(7) providing activities that increase the availability of culturally responsive mental health and substance use disorder services for children and families, youth, or adults, or that increase the availability of substance use disorder services for individuals from cultural and ethnic minorities in the state.

(b) The commissioner must assist grantees with meeting third-party credentialing requirements, and grantees must obtain all available third-party reimbursement sources as a condition of receiving grant funds. Grantees must serve individuals from cultural and ethnic minority communities regardless of health coverage status or ability to pay.

Subd. 4. **Data collection and outcomes.** (a) Grantees must provide monthly data summaries to the commissioner for the purposes of evaluating the effectiveness of the grant program. The commissioner must evaluate program activities by analyzing whether the program:

(1) increased access to culturally-specific services for individuals from cultural and ethnic minority communities across the state;

(2) increased the number of individuals from cultural and ethnic minority communities served by grantees;

(3) increased cultural responsiveness and cultural competency of mental health and substance use disorder treatment providers;

(4) increased the number of mental health and substance use disorder treatment providers and clinical supervisors from cultural and ethnic minority communities;

(5) increased the number of mental health and substance use disorder treatment organizations owned, managed, or led by individuals who are Black, Indigenous, or People of Color;

(6) reduced health disparities through improved clinical and functional outcomes for those accessing services; and

(7) led to an overall increase in culturally-specific mental health and substance use disorder service availability.

(b) The commissioner must submit the results of the evaluation to the chairs and ranking minority members of the legislative committees with jurisdiction over mental health.

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

Sec. 76. **[245.4906] MENTAL HEALTH CERTIFIED PEER SPECIALIST GRANT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of human services must establish a mental health certified peer specialist grant program to provide funding for the training of mental health certified peer specialists who provide services to support individuals with lived experience of mental illness under section 256B.0615.

Subd. 2. **Eligible applicants.** An eligible applicant is a licensed entity or provider who employs a mental health certified peer specialist qualified under section 245I.04, subdivision 10, and who

provides services to individuals receiving assertive community treatment or intensive residential treatment services under section 256B.0622, adult rehabilitative mental health services under section 256B.0623, or crisis response services under section 256B.0624.

Subd. 3. **Allowable grant activities.** Grantees must use grant funding to provide training for mental health certified peer specialists as specified in section 256B.0615, subdivision 5.

Subd. 4. **Outcomes.** (a) Grantees must provide an annual report to the commissioner for the purposes of evaluating the effectiveness of the grant program. The report must include:

(1) the number of mental health certified peer specialists who received training using the grant funds under this section; and

(2) the extent to which individuals receiving peer services experienced progress on achieving treatment goals and experienced a reduction in hospital admissions.

(b) The commissioner must submit the results of the evaluation to the chairs and ranking minority members of the legislative committees with jurisdiction over mental health.

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

Sec. 77. **[245.4907] MENTAL HEALTH CERTIFIED FAMILY PEER SPECIALIST GRANT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of human services must establish a mental health certified peer family specialist grant program to provide funding for training for mental health certified peer family specialists who provide services to support individuals with lived experience of mental illness under section 256B.0616.

Subd. 2. **Eligible applicants.** An eligible applicant is a licensed entity or provider who employs a mental health certified peer family specialist qualified under section 245I.04, subdivision 12, and who provides services to families who have a child:

(1) with an emotional disturbance or severe emotional disturbance under chapter 245;

(2) receiving inpatient hospitalization under section 256B.0625, subdivision 1;

(3) admitted to a residential treatment facility under section 245.4882;

(4) receiving children's intensive behavioral health services under section 256B.0946;

(5) receiving day treatment or children's therapeutic services and supports under section 256B.0943; or

(6) receiving crisis response services under section 256B.0624.

Subd. 3. **Allowable grant activities.** Grantees must use grant funding to provide training for mental health certified family peer specialists as specified in section 256B.0616, subdivision 5.

Subd. 4. **Outcomes.** (a) Grantees must provide an annual report to the commissioner for the purposes of evaluating the effectiveness of the grant program. The report must include:

(1) the number of mental health certified peer specialists who received training using the grant funds under this section; and

(2) the extent to which individuals receiving family peer services experienced progress on achieving treatment goals and experienced a reduction in hospital admissions.

(b) The commissioner must submit the results of the evaluation to the chairs and ranking minority members of the legislative committees with jurisdiction over mental health.

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

Sec. 78. **[245.991] PROJECTS FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of human services must establish projects for assistance in transition from homelessness program to prevent or end homelessness for people with serious mental illness or co-occurring substance use disorder and ensure the commissioner achieves the goals of the housing mission statement in section 245.461, subdivision 4.

Subd. 2. **Eligible applicants.** An applicant for a grant under this section must be a nonprofit organization, county, or other entity who provides services to help individuals transition from homelessness.

Subd. 3. **Allowable grant activities.** Grantees must provide homeless outreach and case management services. Projects may provide clinical assessment, habilitation and rehabilitation services, community mental health services, substance use disorder treatment, housing transition and sustaining services, or direct assistance funding. Services must be provided to individuals with a serious mental illness, or with a co-occurring substance use disorder, and who are homeless or at imminent risk of homelessness. Individuals receiving homeless outreach services may be presumed eligible until a serious mental illness can be verified.

Subd. 4. **Outcomes.** (a) Grantees must submit an annual report to the commissioner for the purposes of evaluating the effectiveness of the grant program. The report must include:

(1) the number of individuals to whom the grantee provided homeless outreach services;

(2) the number of individuals the grantee enrolled in case management services;

(3) the number of individuals that were able to access mental health and substance use disorder treatment services; and

(4) the number of individuals that were able to transition from homelessness to housing.

(b) The commissioner must submit the results of the evaluation to the chairs and ranking minority members of the legislative committees with jurisdiction over mental health and homelessness.

Subd. 5. **Federal aid or grants.** The commissioner of human services must comply with all conditions and requirements necessary to receive federal aid or grants with respect to homeless services or programs as specified in section 245.70.

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

Sec. 79. **[245.992] HOUSING WITH SUPPORT FOR ADULTS WITH SERIOUS MENTAL ILLNESS PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of human services must establish a housing with support for adults with serious mental illness program to prevent or end homelessness for people with serious mental illness, to increase the availability of housing with support, and to ensure the commissioner may achieve the goals of the housing mission statement in section 245.461, subdivision 4.

Subd. 2. **Eligible applicants.** Program activities must be provided to people with a serious mental illness, or with a co-occurring substance use disorder, who meet homeless criteria determined by the commissioner.

Subd. 3. **Allowable grant activities.** Grantees must provide a range of activities and supportive services that ensure individuals obtain and retain permanent supportive housing. Program activities may include case management, site-based housing services, housing transition and sustaining services, outreach services, community support services, or direct assistance funding.

Subd. 4. **Outcomes.** (a) Grantees must submit an annual report to the commissioner for the purposes of evaluating the effectiveness of the grant program. The report must include:

- (1) whether the grantee's housing and activities utilized evidence-based practices;
- (2) the number of individuals that were able to transition from homelessness to housing;
- (3) the number of individuals that were able to retain housing; and
- (4) whether the individuals were satisfied with their housing.

(b) The commissioner must submit the results of the evaluation to the chairs and ranking minority members of the legislative committees with jurisdiction over mental health and homelessness.

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

Sec. 80. Minnesota Statutes 2022, section 256.478, is amended by adding a subdivision to read:

Subd. 3. **Authorized uses of grant funds.** Grant funds may be used for but are not limited to the following:

- (1) increasing access to home and community-based services for an individual;
- (2) improving caregiver-child relationships and aiding progress toward treatment goals; and
- (3) reducing emergency department visits.

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

Sec. 81. Minnesota Statutes 2022, section 256.478, is amended by adding a subdivision to read:

Subd. 4. **Outcomes.** Program evaluation is based on but not limited to the following criteria:

(1) expediting discharges for individuals who no longer need hospital level of care;

(2) individuals obtaining and retaining housing;

(3) individuals maintaining community living by diverting admission to Anoka Metro Regional Treatment Center and Forensic Mental Health Program;

(4) reducing recidivism rates of individuals returning to state institutions; and

(5) individuals' ability to live in the least restrictive community setting.

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

Sec. 82. Minnesota Statutes 2022, section 256B.056, is amended by adding a subdivision to read:

Subd. 5d. **Medical assistance room and board rate.** "Medical assistance room and board rate" means an amount equal to 81 percent of the federal poverty guideline for a single individual living alone in the community less the medical assistance personal needs allowance under section 256B.35. The amount of the room and board rate, as defined in section 256I.03, subdivision 2, that exceeds the medical assistance room and board rate is considered a remedial care cost. A remedial care cost may be used to meet a spenddown obligation under this section. The medical assistance room and board rate is to be adjusted on January 1 of each year.

Sec. 83. Minnesota Statutes 2022, section 256B.0622, subdivision 8, is amended to read:

Subd. 8. Medical assistance payment for assertive community treatment and intensive residential treatment services. (a) Payment for intensive residential treatment services and assertive community treatment in this section shall be based on one daily rate per provider inclusive of the following services received by an eligible client in a given calendar day: all rehabilitative services under this section, staff travel time to provide rehabilitative services under this section, and nonresidential crisis stabilization services under section 256B.0624.

(b) Except as indicated in paragraph (c), payment will not be made to more than one entity for each client for services provided under this section on a given day. If services under this section are provided by a team that includes staff from more than one entity, the team must determine how to distribute the payment among the members.

(c) The commissioner shall determine one rate for each provider that will bill medical assistance for residential services under this section and one rate for each assertive community treatment provider. If a single entity provides both services, one rate is established for the entity's residential services and another rate for the entity's nonresidential services under this section. A provider is not eligible for payment under this section without authorization from the commissioner. The commissioner shall develop rates using the following criteria:

(1) the provider's cost for services shall include direct services costs, other program costs, and other costs determined as follows:

(i) the direct services costs must be determined using actual costs of salaries, benefits, payroll taxes, and training of direct service staff and service-related transportation;

(ii) other program costs not included in item (i) must be determined as a specified percentage of the direct services costs as determined by item (i). The percentage used shall be determined by the commissioner based upon the average of percentages that represent the relationship of other program costs to direct services costs among the entities that provide similar services;

(iii) physical plant costs calculated based on the percentage of space within the program that is entirely devoted to treatment and programming. This does not include administrative or residential space;

(iv) assertive community treatment physical plant costs must be reimbursed as part of the costs described in item (ii); and

(v) subject to federal approval, up to an additional five percent of the total rate may be added to the program rate as a quality incentive based upon the entity meeting performance criteria specified by the commissioner;

(2) actual cost is defined as costs which are allowable, allocable, and reasonable, and consistent with federal reimbursement requirements under Code of Federal Regulations, title 48, chapter 1, part 31, relating to for-profit entities, and Office of Management and Budget Circular Number A-122, relating to nonprofit entities;

(3) the number of service units;

(4) the degree to which clients will receive services other than services under this section; and

(5) the costs of other services that will be separately reimbursed.

(d) The rate for intensive residential treatment services and assertive community treatment must exclude the medical assistance room and board rate, as defined in section ~~256L.03, subdivision 6~~ 256B.056, subdivision 5d, and services not covered under this section, such as partial hospitalization, home care, and inpatient services.

(e) Physician services that are not separately billed may be included in the rate to the extent that a psychiatrist, or other health care professional providing physician services within their scope of practice, is a member of the intensive residential treatment services treatment team. Physician services, whether billed separately or included in the rate, may be delivered by telehealth. For purposes of this paragraph, "telehealth" has the meaning given to "mental health telehealth" in section 256B.0625, subdivision 46, when telehealth is used to provide intensive residential treatment services.

(f) When services under this section are provided by an assertive community treatment provider, case management functions must be an integral part of the team.

(g) The rate for a provider must not exceed the rate charged by that provider for the same service to other payors.

(h) The rates for existing programs must be established prospectively based upon the expenditures and utilization over a prior 12-month period using the criteria established in paragraph (c). The rates for new programs must be established based upon estimated expenditures and estimated utilization using the criteria established in paragraph (c).

(i) Entities who discontinue providing services must be subject to a settle-up process whereby actual costs and reimbursement for the previous 12 months are compared. In the event that the entity was paid more than the entity's actual costs plus any applicable performance-related funding due the provider, the excess payment must be reimbursed to the department. If a provider's revenue is less than actual allowed costs due to lower utilization than projected, the commissioner may reimburse the provider to recover its actual allowable costs. The resulting adjustments by the commissioner must be proportional to the percent of total units of service reimbursed by the commissioner and must reflect a difference of greater than five percent.

(j) A provider may request of the commissioner a review of any rate-setting decision made under this subdivision.

Sec. 84. Minnesota Statutes 2022, section 256B.0625, subdivision 3a, is amended to read:

Subd. 3a. ~~Sex reassignment surgery~~ **Gender affirming services.** ~~Sex reassignment surgery is not covered~~ Medical assistance covers gender affirming services.

Sec. 85. Minnesota Statutes 2022, section 256B.0946, subdivision 6, is amended to read:

Subd. 6. **Excluded services.** (a) Services in clauses (1) to (7) are not covered under this section and are not eligible for medical assistance payment as components of children's intensive behavioral health services, but may be billed separately:

- (1) inpatient psychiatric hospital treatment;
- (2) mental health targeted case management;
- (3) partial hospitalization;
- (4) medication management;
- (5) children's mental health day treatment services;
- (6) crisis response services under section 256B.0624;
- (7) transportation; and
- (8) mental health certified family peer specialist services under section 256B.0616.

(b) Children receiving intensive behavioral health services are not eligible for medical assistance reimbursement for the following services while receiving children's intensive behavioral health services:

(1) psychotherapy and skills training components of children's therapeutic services and supports under section 256B.0943;

(2) mental health behavioral aide services as defined in section 256B.0943, subdivision 1, paragraph (1);

(3) home and community-based waiver services;

(4) mental health residential treatment; and

(5) medical assistance room and board costs rate, as defined in section ~~256I.03, subdivision 6~~ 256B.056, subdivision 5d.

Sec. 86. Minnesota Statutes 2022, section 256B.0947, subdivision 7a, is amended to read:

Subd. 7a. **Noncovered services.** (a) The rate for intensive rehabilitative mental health services does not include medical assistance payment for services in clauses (1) to (7). Services not covered under this paragraph may be billed separately:

(1) inpatient psychiatric hospital treatment;

(2) partial hospitalization;

(3) children's mental health day treatment services;

(4) physician services outside of care provided by a psychiatrist serving as a member of the treatment team;

(5) medical assistance room and board costs rate, as defined in section ~~256I.03, subdivision 6~~ 256B.056, subdivision 5d;

(6) home and community-based waiver services; and

(7) other mental health services identified in the child's individualized education program.

(b) The following services are not covered under this section and are not eligible for medical assistance payment while youth are receiving intensive rehabilitative mental health services:

(1) mental health residential treatment; and

(2) mental health behavioral aide services, as defined in section 256B.0943, subdivision 1, paragraph (1).

Sec. 87. Minnesota Statutes 2022, section 256D.02, is amended by adding a subdivision to read:

Subd. 20. **Date of application.** "Date of application" has the meaning given in section 256P.01, subdivision 2b.

Sec. 88. Minnesota Statutes 2022, section 256D.07, is amended to read:

256D.07 TIME OF PAYMENT OF ASSISTANCE.

An applicant for general assistance shall be deemed eligible if the application and the verification of the statement on that application demonstrate that the applicant is within the eligibility criteria established by sections 256D.01 to 256D.21 and any applicable rules of the commissioner. Any person requesting general assistance shall be permitted by the county agency to make an application for assistance as soon as administratively possible and in no event later than the fourth day following the date on which assistance is first requested, and no county agency shall require that a person requesting assistance appear at the offices of the county agency more than once prior to the date on which the person is permitted to make the application. ~~The application shall be in writing in the manner and upon the form prescribed by the commissioner and attested to by the oath of the applicant or in lieu thereof shall contain the following declaration which shall be signed by the applicant: "I declare that this application has been examined by me and to the best of my knowledge and belief is a true and correct statement of every material point."~~ Applications must be submitted according to section 256P.04, subdivision 1a. On the date that general assistance is first requested, the county agency shall inquire and determine whether the person requesting assistance is in immediate need of food, shelter, clothing, assistance for necessary transportation, or other emergency assistance pursuant to section 256D.06, subdivision 2. A person in need of emergency assistance shall be granted emergency assistance immediately, and necessary emergency assistance shall continue for up to 30 days following the date of application. A determination of an applicant's eligibility for general assistance shall be made by the county agency as soon as the required verifications are received by the county agency and in no event later than 30 days following the date that the application is made. Any verifications required of the applicant shall be reasonable, and the commissioner shall by rule establish reasonable verifications. General assistance shall be granted to an eligible applicant without the necessity of first securing action by the board of the county agency. The first month's grant must be computed to cover the time period starting with the date a ~~signed application form is received by the county agency~~ of application, as defined by section 256P.01, subdivision 2b, or from the date that the applicant meets all eligibility factors, whichever occurs later.

If upon verification and due investigation it appears that the applicant provided false information and the false information materially affected the applicant's eligibility for general assistance or the amount of the applicant's general assistance grant, the county agency may refer the matter to the county attorney. The county attorney may commence a criminal prosecution or a civil action for the recovery of any general assistance wrongfully received, or both.

Sec. 89. Minnesota Statutes 2022, section 256I.03, subdivision 15, is amended to read:

Subd. 15. **Supportive housing.** "Supportive housing" means housing that is not time-limited ~~and~~ provides or coordinates services necessary for a resident to maintain housing stability, and is not assisted living licensed under chapter 144G.

Sec. 90. Minnesota Statutes 2022, section 256I.03, is amended by adding a subdivision to read:

Subd. 16. **Date of application.** "Date of application" has the meaning given in section 256P.01, subdivision 2b.

Sec. 91. Minnesota Statutes 2022, section 256I.04, subdivision 2, is amended to read:

Subd. 2. **Date of eligibility.** An individual who has met the eligibility requirements of subdivision 1, shall have a housing support payment made on the individual's behalf from the first day of the month ~~in which a signed~~ of the date of application form is received by a county agency, as defined by section 256P.01, subdivision 2b, or the first day of the month in which all eligibility factors have been met, whichever is later.

Sec. 92. Minnesota Statutes 2022, section 256I.06, subdivision 3, is amended to read:

Subd. 3. **Filing of application.** ~~The county agency must immediately provide an application form to any person requesting housing support. Application for housing support must be in writing on a form prescribed by the commissioner. Applications must be submitted according to section 256P.04, subdivision 1a.~~ The county agency must determine an applicant's eligibility for housing support as soon as the required verifications are received by the county agency and within 30 days after a signed application is received by the county agency for the aged or blind or within 60 days for people with a disability.

Sec. 93. Minnesota Statutes 2022, section 256I.09, is amended to read:

256I.09 COMMUNITY LIVING INFRASTRUCTURE.

The commissioner shall award grants to agencies and multi-Tribal collaboratives through an annual competitive process. Grants awarded under this section may be used for: (1) outreach to locate and engage people who are homeless or residing in segregated settings to screen for basic needs and assist with referral to community living resources; (2) building capacity to provide technical assistance and consultation on housing and related support service resources for persons with both disabilities and low income; or (3) streamlining the administration and monitoring activities related to housing support funds. Agencies may collaborate and submit a joint application for funding under this section.

Sec. 94. Minnesota Statutes 2022, section 256J.08, subdivision 21, is amended to read:

Subd. 21. **Date of application.** "Date of application" ~~means the date on which the county agency receives an applicant's application as a signed written application, an application submitted by telephone, or an application submitted through Internet telepresence~~ has the meaning given in section 256P.01, subdivision 2b.

Sec. 95. Minnesota Statutes 2022, section 256J.09, subdivision 3, is amended to read:

Subd. 3. **Submitting application form.** (a) A county agency must offer, in person or by mail, the application forms prescribed by the commissioner as soon as a person makes a written or oral inquiry. At that time, the county agency must:

(1) inform the person that assistance begins on the date ~~that the~~ of application is received by the county agency either as a signed written application; an application submitted by telephone; or an application submitted through Internet telepresence; as defined in section 256P.01, subdivision 2b, or on the date that all eligibility criteria are met, whichever is later;

(2) inform a person that the person may submit the application by telephone or through Internet telepresence;

(3) inform a person ~~that when the person submits the application by telephone or through Internet telepresence, the county agency must receive a signed written application within 30 days of the date that the person submitted the application by telephone or through Internet telepresence~~ of the application submission requirements in section 256P.04, subdivision 1a;

(4) inform the person that any delay in submitting the application will reduce the amount of assistance paid for the month of application;

(5) inform a person that the person may submit the application before an interview;

(6) explain the information that will be verified during the application process by the county agency as provided in section 256J.32;

(7) inform a person about the county agency's average application processing time and explain how the application will be processed under subdivision 5;

(8) explain how to contact the county agency if a person's application information changes and how to withdraw the application;

(9) inform a person that the next step in the application process is an interview and what a person must do if the application is approved including, but not limited to, attending orientation under section 256J.45 and complying with employment and training services requirements in sections 256J.515 to 256J.57;

(10) inform the person that an interview must be conducted. The interview may be conducted face-to-face in the county office or at a location mutually agreed upon, through Internet telepresence, or by telephone;

(11) explain the child care and transportation services that are available under paragraph (c) to enable caregivers to attend the interview, screening, and orientation; and

(12) identify any language barriers and arrange for translation assistance during appointments, including, but not limited to, screening under subdivision 3a, orientation under section 256J.45, and assessment under section 256J.521.

(b) Upon receipt of a signed application, the county agency must stamp the date of receipt on the face of the application. The county agency must process the application within the time period required under subdivision 5. An applicant may withdraw the application at any time by giving written or oral notice to the county agency. The county agency must issue a written notice confirming the withdrawal. The notice must inform the applicant of the county agency's understanding that the applicant has withdrawn the application and no longer wants to pursue it. When, within ten days of the date of the agency's notice, an applicant informs a county agency, in writing, that the applicant does not wish to withdraw the application, the county agency must reinstate the application and finish processing the application.

(c) Upon a participant's request, the county agency must arrange for transportation and child care or reimburse the participant for transportation and child care expenses necessary to enable participants to attend the screening under subdivision 3a and orientation under section 256J.45.

Sec. 96. Minnesota Statutes 2022, section 256J.95, subdivision 5, is amended to read:

Subd. 5. **Submitting application form.** The eligibility date for the diversionary work program begins on the date ~~that the combined of application form (CAF) is received by the county agency either as a signed written application; an application submitted by telephone; or an application submitted through Internet telepresence;~~ of application form (CAF) is received by the county agency either as a signed written application; an application submitted by telephone; or an application submitted through Internet telepresence; as defined in section 256P.01, subdivision 2b, or on the date that diversionary work program eligibility criteria are met, whichever is later. The county agency must inform an applicant ~~that when the applicant submits the application by telephone or through Internet telepresence, the county agency must receive a signed written application within 30 days of the date that the applicant submitted the application by telephone or through Internet telepresence~~ of the application submission requirements in section 256P.04, subdivision 1a. The county agency must inform the applicant that any delay in submitting the application will reduce the benefits paid for the month of application. The county agency must inform a person that an application may be submitted before the person has an interview appointment. Upon receipt of a signed application, the county agency must stamp the date of receipt on the face of the application. The applicant may withdraw the application at any time prior to approval by giving written or oral notice to the county agency. The county agency must follow the notice requirements in section 256J.09, subdivision 3, when issuing a notice confirming the withdrawal.

Sec. 97. Minnesota Statutes 2022, section 256P.01, is amended by adding a subdivision to read:

Subd. 2b. **Date of application.** "Date of application" means the date on which the agency receives an applicant's application as a signed written application, an application submitted by telephone, or an application submitted through Internet telepresence. The child care assistance program under chapter 119B is exempt from this definition.

Sec. 98. Minnesota Statutes 2022, section 256P.04, is amended by adding a subdivision to read:

Subd. 1a. **Application submission.** An agency must offer, in person or by mail, the application forms prescribed by the commissioner as soon as a person makes a written or oral inquiry about assistance. Applications must be received by the agency as a signed written application, an application submitted by telephone, or an application submitted through Internet telepresence. When a person submits an application by telephone or through Internet telepresence, the agency must receive a signed written application within 30 days of the date that the person submitted the application by telephone or through Internet telepresence.

Sec. 99. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber the subdivisions in Minnesota Statutes, sections 256D.02 and 256I.03, in alphabetical order, excluding the first subdivision in each section, and correct any cross-reference changes that result.

Sec. 100. **REPEALER.**

(a) Minnesota Statutes 2022, section 144.9505, subdivision 3, is repealed.

(b) Minnesota Statutes 2022, section 153A.14, subdivision 5, is repealed.

(c) Minnesota Rules, parts 4640.1500; 4640.1600; 4640.1700; 4640.1800; 4640.1900; 4640.2000; 4640.2100; 4640.2200; 4640.2300; 4640.2400; 4640.2500; 4640.2600; 4640.2700; 4640.2800; 4640.2900; 4640.3000; 4640.3100; 4640.3200; 4640.3300; 4640.3400; 4640.3500; 4640.3600; 4640.3700; 4640.3800; 4640.3900; 4640.4000; 4640.4100; 4640.4200; 4640.4300; 4640.6100; 4640.6200; 4640.6300; 4640.6400; 4645.0300; 4645.0400; 4645.0500; 4645.0600; 4645.0700; 4645.0800; 4645.0900; 4645.1000; 4645.1100; 4645.1200; 4645.1300; 4645.1400; 4645.1500; 4645.1600; 4645.1700; 4645.1800; 4645.1900; 4645.2000; 4645.2100; 4645.2200; 4645.2300; 4645.2400; 4645.2500; 4645.2600; 4645.2700; 4645.2800; 4645.2900; 4645.3000; 4645.3100; 4645.3200; 4645.3300; 4645.3400; 4645.3500; 4645.3600; 4645.3700; 4645.3800; 4645.3805; 4645.3900; 4645.4000; 4645.4100; 4645.4200; 4645.4300; 4645.4400; 4645.4500; 4645.4600; 4645.4700; 4645.4800; 4645.4900; 4645.5100; and 4645.5200, are repealed effective August 1, 2023.

(d) Minnesota Statutes 2022, section 256I.03, subdivision 6, is repealed."

Delete the title and insert:

"A bill for an act relating to the Department of Health and Department of Human Services; amending various record and notification requirements; providing for over-the-counter hearing aids; adopting guidelines for physical standards of hospitals; modifying regulations related to lead; amending provisions for administering opiate antagonists; amending transporting requirements for medical cannabis; establishing and modifying grant programs; amending Minnesota Statutes 2022, sections 62J.17, subdivision 5a; 62Q.675; 62U.04, subdivision 11; 144.1481, subdivision 1; 144.2151; 144.222; 144.382, by adding subdivisions; 144.55, subdivision 3; 144.6535, subdivisions 1, 2, 4; 144.9501, subdivisions 17, 26a, 26b, by adding subdivisions; 144.9505, subdivisions 1, 1g, 1h; 144.9508, subdivision 2; 148.512, subdivisions 10a, 10b, by adding subdivisions; 148.513, by adding a subdivision; 148.515, subdivision 6; 148.5175; 148.5195, subdivision 3; 148.5196, subdivision 1; 148.5197; 148.5198; 151.37, subdivision 12; 152.29, subdivision 3a; 153A.13, subdivisions 3, 4, 5, 6, 7, 9, 10, 11, by adding subdivisions; 153A.14, subdivisions 1, 2, 2h, 2i, 2j, 4, 4a, 4b, 4c, 4e, 6, 9, 11, by adding a subdivision; 153A.15, subdivisions 1, 2, 4; 153A.17; 153A.175; 153A.18; 153A.20; 245.4661, subdivision 9; 245.469, subdivision 3; 256.478, by adding subdivisions; 256B.056, by adding a subdivision; 256B.0622, subdivision 8; 256B.0625, subdivision 3a; 256B.0946, subdivision 6; 256B.0947, subdivision 7a; 256D.02, by adding a subdivision; 256D.07; 256I.03, subdivision 15, by adding a subdivision; 256I.04, subdivision 2; 256I.06, subdivision 3; 256I.09; 256J.08, subdivision 21; 256J.09, subdivision 3; 256J.95, subdivision 5; 256P.01, by adding a subdivision; 256P.04, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 144; 245; repealing Minnesota Statutes 2022, sections 144.9505, subdivision 3; 153A.14, subdivision 5; 256I.03, subdivision 6; Minnesota Rules, parts 4640.1500; 4640.1600; 4640.1700; 4640.1800; 4640.1900; 4640.2000; 4640.2100; 4640.2200; 4640.2300; 4640.2400; 4640.2500; 4640.2600; 4640.2700; 4640.2800; 4640.2900; 4640.3000; 4640.3100; 4640.3200; 4640.3300; 4640.3400; 4640.3500; 4640.3600; 4640.3700; 4640.3800; 4640.3900; 4640.4000; 4640.4100; 4640.4200; 4640.4300; 4640.6100; 4640.6200; 4640.6300; 4640.6400; 4645.0300; 4645.0400; 4645.0500; 4645.0600; 4645.0700; 4645.0800; 4645.0900; 4645.1000; 4645.1100; 4645.1200; 4645.1300; 4645.1400; 4645.1500; 4645.1600; 4645.1700; 4645.1800; 4645.1900; 4645.2000; 4645.2100; 4645.2200; 4645.2300; 4645.2400; 4645.2500; 4645.2600; 4645.2700; 4645.2800; 4645.2900; 4645.3000; 4645.3100; 4645.3200; 4645.3300; 4645.3400; 4645.3500; 4645.3600; 4645.3700; 4645.3800; 4645.3805; 4645.3900; 4645.4000; 4645.4100; 4645.4200; 4645.4300; 4645.4400; 4645.4500; 4645.4600; 4645.4700; 4645.4800; 4645.4900; 4645.5100; 4645.5200."

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

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

S.F. No. 1384: A bill for an act relating to labor and industry; classifying Occupational Safety and Health Act citation data; amending Minnesota Statutes 2022, sections 182.659, subdivisions 1, 8; 182.66, by adding a subdivision; 182.661, by adding a subdivision; 182.676.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2022, section 13.43, subdivision 6, is amended to read:

Subd. 6. **Access by labor organizations.** (a) Personnel data ~~may~~ must be disseminated to labor organizations to the extent that the responsible authority determines that the dissemination is necessary to conduct elections, ~~notify employees of fair share fee assessments,~~ investigate and process grievances, and implement the provisions of chapters 179 and 179A. Personnel data shall be disseminated to labor organizations and to the Bureau of Mediation Services to the extent the dissemination is ordered or authorized by the commissioner of the Bureau of Mediation Services. Employee Social Security numbers are not necessary to implement the provisions of chapters 179 and 179A.

(b) Personnel data described under section 179A.07, subdivision 8, must be disseminated to an exclusive representative under the terms of that subdivision.

(c) An employer who disseminates personnel data to a labor organization pursuant to this subdivision shall not be subject to liability under section 13.08. Nothing in this paragraph shall impair or limit any remedies available under section 325E.61.

(d) The home addresses, nonemployer issued phone numbers and email addresses, dates of birth, and emails or other communications between exclusive representatives and their members, prospective members, and nonmembers are private data on individuals.

Sec. 2. [16A.1335] EMPLOYEE SALARIES AND BENEFITS IN EVENT OF STATE GOVERNMENT SHUTDOWN.

Subdivision 1. **Definition.** As used in this section, "government shutdown" means that, as of July 1 of an odd-numbered year, legislation appropriating money for the general operations of (1) an executive agency, (2) an office or department of the legislature, including each house of the legislature and the Legislative Coordinating Commission, or (3) a judicial branch agency or department, including a court, has not been enacted for the biennium beginning July 1 of that year.

Subd. 2. **Payment required.** Notwithstanding section 16A.17, subdivision 8, state employees must be provided payment for lost salary and benefits resulting from their absence from work during a government shutdown. An employee is eligible for a payment under this section only upon the employee's return to work.

Subd. 3. **Appropriation; limitation.** (a) In the event of a government shutdown, the amount necessary to pay the salary and benefits of employees of any impacted agency, office, or department is appropriated beginning on that July 1 to that agency, office, or department. The appropriation is made from the fund or funds from which an appropriation was made in the previous fiscal year for salary and benefits paid to each affected employee.

(b) Amounts appropriated under this subdivision may not exceed the amount or amounts appropriated for general operations of the affected agency, office, or department in the previous fiscal year.

Subd. 4. **Certification of amount for employees in the legislative and judicial branches.** By June 25 of an odd-numbered year, if a government shutdown appears imminent, the director of the Legislative Coordinating Commission, the chief clerk of the house of representatives, the secretary of the senate, and the chief clerk of the supreme court must each certify to the commissioner of management and budget the amount needed for salaries and benefits for each fiscal year of the next biennium, and the commissioner of management and budget shall make the certified amount available on July 1 of that year or on another schedule that permits payment of all salary and benefit obligations required by this section in a timely manner.

Subd. 5. **Subsequent appropriations.** A subsequent appropriation to the agency, office, or department for regular operations for a biennium in which this section has been applied may only supersede and replace the appropriation provided by subdivision 3 by express reference to this section.

Sec. 3. Minnesota Statutes 2022, section 120A.414, subdivision 2, is amended to read:

Subd. 2. **Plan.** A school board, including the board of a charter school, may adopt an e-learning day plan after ~~consulting~~ meeting and negotiating with the exclusive representative of the teachers. ~~A~~ If a charter school's teachers are not represented by an exclusive representative, the charter school may adopt an e-learning day plan after consulting with its teachers. The plan must include accommodations for students without Internet access at home and for digital device access for families without the technology or an insufficient amount of technology for the number of children in the household. A school's e-learning day plan must provide accessible options for students with disabilities under chapter 125A.

Sec. 4. Minnesota Statutes 2022, section 122A.181, subdivision 5, is amended to read:

Subd. 5. **Limitations on license.** (a) A Tier 1 license is limited to the content matter indicated on the application for the initial Tier 1 license under subdivision 1, clause (2), and limited to the district or charter school that requested the initial Tier 1 license.

(b) A Tier 1 license does not bring an individual within the definition of a teacher for purposes of section 122A.40, subdivision 1, or 122A.41, subdivision 1, clause (a).

~~(c) A Tier 1 license does not bring an individual within the definition of a teacher under section 179A.03, subdivision 18.~~

Sec. 5. Minnesota Statutes 2022, section 122A.26, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** (a) A person who teaches in a community education program ~~which that~~ qualifies for aid pursuant to section 124D.52 shall continue to meet licensure requirements as a teacher. A person who teaches in an early childhood and family education program ~~which that~~ is offered through a community education program and which qualifies for community education aid pursuant to section 124D.20 or early childhood and family education aid pursuant to section 124D.135 shall continue to meet licensure requirements as a teacher. A person who teaches in a community education course ~~which that~~ is offered for credit for graduation to persons under 18 years of age shall continue to meet licensure requirements as a teacher.

(b) A person who teaches a driver training course ~~which that~~ is offered through a community education program to persons under 18 years of age shall be licensed by the Professional Educator Licensing and Standards Board or be subject to section 171.35. A license ~~which that~~ is required for an instructor in a community education program pursuant to this ~~subdivision paragraph~~ shall not be construed to bring an individual within the definition of a teacher for purposes of section 122A.40, subdivision 1, or 122A.41, subdivision 1, ~~clause paragraph~~ (a).

EFFECTIVE DATE. This section is effective for the 2023-2024 school year and later.

Sec. 6. Minnesota Statutes 2022, section 122A.40, subdivision 5, is amended to read:

Subd. 5. **Probationary period.** (a) The first three consecutive years of a teacher's first teaching experience in Minnesota in a single district is deemed to be a probationary period of employment, and, the probationary period in each district in which the teacher is thereafter employed shall be one year. The school board must adopt a plan for written evaluation of teachers during the probationary period that is consistent with subdivision 8. Evaluation must occur at least three times periodically throughout each school year for a teacher performing services during that school year; the first evaluation must occur within the first 90 days of teaching service. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school must not be included in determining the number of school days on which a teacher performs services. Except as otherwise provided in paragraph (b), during the probationary period any annual contract with any teacher may or may not be renewed as the school board shall see fit. However, the board must give any such teacher whose contract it declines to renew for the following school year written notice to that effect before July 1. If the teacher requests reasons for any nonrenewal of a teaching contract, the board must give the teacher its reason in writing, including a statement that appropriate supervision was furnished describing the nature and the extent of such supervision furnished the teacher during the employment by the board, within ten days after receiving such request. The school board may, after a hearing held upon due notice, discharge a teacher during the probationary period for cause, effective immediately, under section 122A.44.

(b) A board must discharge a probationary teacher, effective immediately, upon receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the teacher's license has been revoked due to a conviction for child abuse or sexual abuse.

(c) A probationary teacher whose first three years of consecutive employment are interrupted for active military service and who promptly resumes teaching consistent with federal reemployment timelines for uniformed service personnel under United States Code, title 38, section 4312(e), is considered to have a consecutive teaching experience for purposes of paragraph (a).

(d) A probationary teacher whose first three years of consecutive employment are interrupted for maternity, paternity, or medical leave and who resumes teaching within 12 months of when the leave began is considered to have a consecutive teaching experience for purposes of paragraph (a) if the probationary teacher completes a combined total of three years of teaching service immediately before and after the leave.

(e) A probationary teacher must complete at least ~~120~~ 90 days of teaching service each year during the probationary period. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school do not count as days of teaching service under this paragraph.

Sec. 7. Minnesota Statutes 2022, section 122A.41, subdivision 2, is amended to read:

Subd. 2. Probationary period; discharge or demotion. (a) ~~All teachers in the public schools in cities of the first class during the first three years of consecutive employment shall be deemed to be in a probationary period of employment during which period any annual contract with any teacher may, or may not, be renewed as the school board, after consulting with the peer review committee charged with evaluating the probationary teachers under subdivision 3, shall see fit. The first three consecutive years of a teacher's first teaching experience in Minnesota in a single district is deemed to be a probationary period of employment, and the probationary period in each district in which the teacher is thereafter employed shall be one year.~~ The school site management team or the school board if there is no school site management team, shall adopt a plan for a written evaluation of teachers during the probationary period according to subdivisions 3 and 5. Evaluation by the peer review committee charged with evaluating probationary teachers under subdivision 3 shall occur at least three times periodically throughout each school year for a teacher performing services during that school year; the first evaluation must occur within the first 90 days of teaching service. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school shall not be included in determining the number of school days on which a teacher performs services. The school board may, during such probationary period, discharge or demote a teacher for any of the causes as specified in this code. A written statement of the cause of such discharge or demotion shall be given to the teacher by the school board at least 30 days before such removal or demotion shall become effective, and the teacher so notified shall have no right of appeal therefrom.

(b) A probationary teacher whose first three years of consecutive employment are interrupted for active military service and who promptly resumes teaching consistent with federal reemployment timelines for uniformed service personnel under United States Code, title 38, section 4312(e), is considered to have a consecutive teaching experience for purposes of paragraph (a).

(c) A probationary teacher whose first three years of consecutive employment are interrupted for maternity, paternity, or medical leave and who resumes teaching within 12 months of when the leave began is considered to have a consecutive teaching experience for purposes of paragraph (a) if the probationary teacher completes a combined total of three years of teaching service immediately before and after the leave.

(d) A probationary teacher must complete at least ~~120~~ 90 days of teaching service each year during the probationary period. Days devoted to parent-teacher conferences, teachers' workshops,

and other staff development opportunities and days on which a teacher is absent from school do not count as days of teaching service under this paragraph.

Sec. 8. Minnesota Statutes 2022, section 177.27, subdivision 4, is amended to read:

Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032, 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.275, subdivision 2a, 181.722, 181.79, ~~and~~ 181.939 to 181.943, ~~or~~ 181.991, and with any rule promulgated under section 177.28. The commissioner shall issue an order requiring an employer to comply with sections 177.41 to 177.435 if the violation is repeated. For purposes of this subdivision only, a violation is repeated if at any time during the two years that preceded the date of violation, the commissioner issued an order to the employer for violation of sections 177.41 to 177.435 and the order is final or the commissioner and the employer have entered into a settlement agreement that required the employer to pay back wages that were required by sections 177.41 to 177.435. The department shall serve the order upon the employer or the employer's authorized representative in person or by certified mail at the employer's place of business. An employer who wishes to contest the order must file written notice of objection to the order with the commissioner within 15 calendar days after being served with the order. A contested case proceeding must then be held in accordance with sections 14.57 to 14.69. If, within 15 calendar days after being served with the order, the employer fails to file a written notice of objection with the commissioner, the order becomes a final order of the commissioner.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to franchise agreements entered into or amended on or after that date.

Sec. 9. Minnesota Statutes 2022, section 177.42, subdivision 2, is amended to read:

Subd. 2. **Project.** "Project" means demolition, erection, construction, remodeling, or repairing of a public building, facility, or other public work financed in whole or part by state funds. Project also includes demolition, erection, construction, remodeling, or repairing of a building, facility, or public work when the acquisition of property, predesign, design, or demolition is financed in whole or part by state funds.

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

Sec. 10. Minnesota Statutes 2022, section 179A.03, subdivision 14, is amended to read:

Subd. 14. **Public employee or employee.** (a) "Public employee" or "employee" means any person appointed or employed by a public employer except:

- (1) elected public officials;
- (2) election officers;
- (3) commissioned or enlisted personnel of the Minnesota National Guard;
- (4) emergency employees who are employed for emergency work caused by natural disaster;
- (5) part-time employees whose service does not exceed the lesser of 14 hours per week or 35 percent of the normal work week in the employee's appropriate unit;

(6) employees whose positions are basically temporary or seasonal in character and: (i) are not for more than 67 working days in any calendar year; ~~or (ii) are not working for a Minnesota school district or charter school; or (iii)~~ are not for more than 100 working days in any calendar year and the employees are under the age of 22, are full-time students enrolled in a nonprofit or public educational institution prior to being hired by the employer, and have indicated, either in an application for employment or by being enrolled at an educational institution for the next academic year or term, an intention to continue as students during or after their temporary employment;

(7) employees providing services for not more than two consecutive quarters to the Board of Trustees of the Minnesota State Colleges and Universities under the terms of a professional or technical services contract as defined in section 16C.08, subdivision 1;

(8) employees of charitable hospitals as defined by section 179.35, subdivision 3, except that employees of charitable hospitals as defined by section 179.35, subdivision 3, are public employees for purposes of sections 179A.051, 179A.052, and 179A.13;

(9) full-time undergraduate students employed by the school which they attend under a work-study program or in connection with the receipt of financial aid, irrespective of number of hours of service per week;

(10) an individual who is employed for less than 300 hours in a fiscal year as an instructor in an adult vocational education program;

~~(11) an individual hired by the Board of Trustees of the Minnesota State Colleges and Universities to teach one course for three or fewer credits for one semester in a year;~~

~~(12)~~ (11) with respect to court employees:

(i) personal secretaries to judges;

(ii) law clerks;

(iii) managerial employees;

(iv) confidential employees; and

(v) supervisory employees; or

~~(13)~~ (12) with respect to employees of Hennepin Healthcare System, Inc., managerial, supervisory, and confidential employees.

(b) The following individuals are public employees regardless of the exclusions of paragraph (a), clauses (5) ~~and (6)~~ to (7):

(1) an employee hired by a school district or the Board of Trustees of the Minnesota State Colleges and Universities except at the university established in the Twin Cities metropolitan area under section 136F.10 or for community services or community education instruction offered on a noncredit basis: (i) to replace an absent teacher or faculty member who is a public employee, where the replacement employee is employed more than 30 working days as a replacement for that teacher or faculty member; or (ii) to take a teaching position created due to increased enrollment, curriculum

expansion, courses which are a part of the curriculum whether offered annually or not, or other appropriate reasons;

(2) an employee hired for a position under paragraph (a), clause (6), item (i), if that same position has already been filled under paragraph (a), clause (6), item (i), in the same calendar year and the cumulative number of days worked in that same position by all employees exceeds 67 calendar days in that year. For the purpose of this paragraph, "same position" includes a substantially equivalent position if it is not the same position solely due to a change in the classification or title of the position; ~~and~~

(3) an early childhood family education teacher employed by a school district; and

(4) an individual hired by the Board of Trustees of the Minnesota State Colleges and Universities as the instructor of record to teach (i) one class for more than three credits in a fiscal year, or (ii) two or more credit-bearing classes in a fiscal year.

Sec. 11. Minnesota Statutes 2022, section 179A.03, subdivision 18, is amended to read:

Subd. 18. **Teacher.** "Teacher" means any public employee other than a superintendent or assistant superintendent, principal, assistant principal, or a supervisory or confidential employee, employed by a school district:

(1) in a position for which the person must be licensed by the Professional Educator Licensing and Standards Board or the commissioner of education; ~~or~~

(2) in a position as a physical therapist, occupational therapist, art therapist, music therapist, or audiologist; or

(3) in a position creating and delivering instruction to children in a prekindergarten or early learning program, except that an employee in a bargaining unit certified before January 1, 2023, may remain in a bargaining unit that does not include teachers unless an exclusive representative files a petition for a unit clarification or to transfer exclusive representative status.

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

Sec. 12. Minnesota Statutes 2022, section 179A.03, subdivision 19, is amended to read:

Subd. 19. **Terms and conditions of employment.** "Terms and conditions of employment" means the hours of employment, the compensation therefor including fringe benefits except retirement contributions or benefits other than employer payment of, or contributions to, premiums for group insurance coverage of retired employees or severance pay, staffing ratios, and the employer's personnel policies affecting the working conditions of the employees. In the case of professional employees the term does not mean educational policies of a school district. "Terms and conditions of employment" is subject to section 179A.07. In the case of school employees, "terms and conditions of employment" includes class sizes, student testing, and student-to-personnel ratios.

Sec. 13. Minnesota Statutes 2022, section 179A.06, subdivision 6, is amended to read:

Subd. 6. ~~Dues checkoff~~ **Payroll deduction, authorization, and remittance.** (a) Public employees have the right to request and be allowed ~~dues checkoff~~ payroll deduction for the exclusive

representative. In the absence of an exclusive representative, public employees have the right to request and be allowed dues checkoff for the organization of their choice, and the political fund associated with the exclusive representative and registered pursuant to section 10A.12. A public employer must rely on a certification from any exclusive representative requesting remittance of a deduction that the organization has and will maintain an authorization, signed by the public employee from whose salary or wages the deduction is to be made, which may include an electronic signature by the public employee as defined in section 325L.02, paragraph (h). An exclusive representative making such certification must not be required to provide the public employer a copy of the authorization unless a dispute arises about the existence or terms of the authorization. The exclusive representative must indemnify the public employer for any successful claims made by the employee for unauthorized deductions in reliance on the certification.

(b) A dues deduction authorization remains in effect until the employer receives notice from the exclusive representative that a public employee has changed or canceled their authorization in writing in accordance with the terms of the original authorizing document, and a public employer must rely on information from the exclusive representative receiving remittance of the deduction regarding whether the deductions have been properly changed or canceled. The exclusive representative must indemnify the public employer for any successful claims made by the employee for unauthorized deductions made in reliance on such information.

(c) Deduction authorization under this section is independent from the public employee's membership status in the organization to which payment is remitted and is effective regardless of whether a collective bargaining agreement authorizes the deduction.

(d) Employers must commence deductions within 30 days of notice of authorization from the exclusive representative and must remit the deductions to the exclusive representative within 30 days of the deduction. The failure of an employer to comply with the provisions of this paragraph shall be an unfair labor practice under section 179A.13, the relief for which shall be reimbursement by the employer of deductions that should have been made or remitted based on a valid authorization given by the employee or employees.

(e) In the absence of an exclusive representative, public employees have the right to request and be allowed payroll deduction for the organization of their choice.

(f) Any dispute under this subdivision must be resolved through an unfair labor practice proceeding under section 179A.13.

Sec. 14. Minnesota Statutes 2022, section 179A.07, subdivision 1, is amended to read:

Subdivision 1. **Inherent managerial policy.** A public employer is not required to meet and negotiate on matters of inherent managerial policy. Matters of inherent managerial policy include, but are not limited to, such areas of discretion or policy as the functions and programs of the employer, its overall budget, utilization of technology, the organizational structure, selection of personnel, and direction ~~and the number~~ of personnel. No public employer shall sign an agreement which limits its right to select persons to serve as supervisory employees or state managers under section 43A.18, subdivision 3, or requires the use of seniority in their selection.

Sec. 15. Minnesota Statutes 2022, section 179A.07, subdivision 6, is amended to read:

Subd. 6. **Time off.** A public employer must afford reasonable time off to elected officers or appointed representatives of the exclusive representative to conduct the duties of the exclusive representative and must, upon request, provide for leaves of absence to elected or appointed officials of the exclusive representative, to elected or appointed officials of an affiliate of an exclusive representative, or to a full-time appointed official of an exclusive representative of teachers in another Minnesota school district.

Sec. 16. Minnesota Statutes 2022, section 179A.07, is amended by adding a subdivision to read:

Subd. 8. **Bargaining unit information.** (a) Within ten calendar days from the date of hire of a bargaining unit employee, a public employer must provide the following contact information to an exclusive representative in an Excel file format or other format agreed to by the exclusive representative: name; job title; worksite location, including location within a facility when appropriate; home address; work telephone number; home and personal cell phone numbers on file with the public employer; date of hire; and work email address and personal email address on file with the public employer.

(b) Every 120 calendar days beginning on January 1, 2024, a public employer must provide to an exclusive representative in an Excel file or similar format agreed to by the exclusive representative the following information for all bargaining unit employees: name; job title; worksite location, including location within a facility when appropriate; home address; work telephone number; home and personal cell phone numbers on file with the public employer; date of hire; and work email address and personal email address on file with the public employer.

(c) A public employer must notify an exclusive representative within ten calendar days of the separation of employment or transfer out of the bargaining unit of a bargaining unit employee.

Sec. 17. Minnesota Statutes 2022, section 179A.07, is amended by adding a subdivision to read:

Subd. 9. **Access.** (a) A public employer must allow an exclusive representative to meet in person with newly hired employees, without charge to the pay or leave time of the employees, for 30 minutes, within 30 calendar days from the date of hire, during new employee orientations or, if the employer does not conduct new employee orientations, at individual or group meetings. An exclusive representative shall receive no less than ten days' notice in advance of an orientation, except that a shorter notice may be provided where there is an urgent need critical to the operations of the public employer that was not reasonably foreseeable. Notice of and attendance at new employee orientations and other meetings under this paragraph must be limited to the public employer, the employees, the exclusive representative, and any vendor contracted to provide a service for purposes of the meeting. Meetings may be held virtually or for longer than 30 minutes only by mutual agreement of the public employer and exclusive representative.

(b) A public employer must allow an exclusive representative to communicate with bargaining unit members using their employer-issued email addresses regarding collective bargaining, the administration of collective bargaining agreements, the investigation of grievances, other workplace-related complaints and issues, and internal matters involving the governance or business of the exclusive representative, consistent with the employer's generally applicable technology use policies.

(c) A public employer must allow an exclusive representative to meet with bargaining unit members in facilities owned or leased by the public employer regarding collective bargaining, the administration of collective bargaining agreements, grievances and other workplace-related complaints and issues, and internal matters involving the governance or business of the exclusive representative, provided the use does not interfere with governmental operations. Meetings conducted in government buildings pursuant to this paragraph must not be for the purpose of supporting or opposing any candidate for partisan political office or for the purpose of distributing literature or information regarding partisan elections. An exclusive representative conducting a meeting in a government building or other government facility pursuant to this subdivision may be charged for maintenance, security, and other costs related to the use of the government building or facility that would not otherwise be incurred by the government entity.

Sec. 18. Minnesota Statutes 2022, section 179A.12, is amended by adding a subdivision to read:

Subd. 2a. **Majority verification procedure.** (a) Notwithstanding any other provision of this section, an employee organization may file a petition with the commissioner requesting certification as the exclusive representative of an appropriate unit based on a verification that over 50 percent of the employees in the proposed appropriate unit wish to be represented by the petitioner. The commissioner shall require dated representation authorization signatures of affected employees as verification of the employee organization's claim of majority status.

(b) Upon receipt of an employee organization's petition, accompanied by employee authorization signatures under this subdivision, the commissioner shall investigate the petition. If the commissioner determines that over 50 percent of the employees in an appropriate unit have provided authorization signatures designating the employee organization specified in the petition as their exclusive representative, the commissioner shall not order an election but shall certify the employee organization.

Sec. 19. Minnesota Statutes 2022, section 179A.12, subdivision 6, is amended to read:

Subd. 6. **Authorization signatures.** In determining the numerical status of an employee organization for purposes of this section, the commissioner shall require dated representation authorization signatures of affected employees as verification of the statements contained in the joint request or petitions. These authorization signatures shall be privileged and confidential information available to the commissioner only. Electronic signatures, as defined in section 325L.02, paragraph (h), shall be valid as authorization signatures. Authorization signatures shall be valid for a period of one year following the date of signature.

Sec. 20. Minnesota Statutes 2022, section 179A.12, subdivision 11, is amended to read:

Subd. 11. **Unfair labor practices.** If the commissioner finds that an unfair labor practice was committed by an employer or representative candidate or an employee or group of employees, and that the unfair labor practice affected the result of an election or majority verification procedure pursuant to subdivision 2a, or that procedural or other irregularities in the conduct of the election or majority verification procedure may have substantially affected its results, the commissioner may void the ~~election~~ result and order a new election or majority verification procedure.

Sec. 21. Minnesota Statutes 2022, section 181.03, subdivision 6, is amended to read:

Subd. 6. **Retaliation.** An employer ~~must~~ shall not discharge, discipline, penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate against an employee for asserting rights or remedies under this section, sections 177.21 to 177.44, 181.01 to 181.723, or 181.79, including, but not limited to, filing a complaint with the department or telling the employer of the employee's intention to file a complaint. In addition to any other remedies provided by law, an employer who violates this subdivision is liable for a civil penalty of not less than \$700 nor more than \$3,000 per violation.

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

Sec. 22. Minnesota Statutes 2022, section 181.06, subdivision 2, is amended to read:

Subd. 2. **Payroll deductions.** A written contract may be entered into between an employer and an employee wherein the employee authorizes the employer to make payroll deductions for the purpose of paying union dues, premiums of any life insurance, hospitalization and surgical insurance, group accident and health insurance, group term life insurance, group annuities or contributions to credit unions or a community chest fund, a local arts council, a local science council or a local arts and science council, or Minnesota benefit association, a federally or state registered political action committee, membership dues of a relief association governed by sections 424A.091 to 424A.096 or Laws 2013, chapter 111, article 5, sections 31 to 42, contributions to a nonprofit organization that is tax exempt under section 501(c) of the Internal Revenue Code, or participation in any employee stock purchase plan or savings plan for periods longer than 60 days, including gopher state bonds established under section 16A.645. An employer must make payroll deductions to an organization under this subdivision when requested by five or more employees.

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

Sec. 23. Minnesota Statutes 2022, section 181.172, is amended to read:

181.172 WAGE DISCLOSURE PROTECTION.

(a) An employer shall not:

- (1) require nondisclosure by an employee of his or her wages as a condition of employment;
- (2) require an employee to sign a waiver or other document which purports to deny an employee the right to disclose the employee's wages; or
- (3) take any adverse employment action against an employee for disclosing the employee's own wages or discussing another employee's wages which have been disclosed voluntarily.

(b) Nothing in this section shall be construed to:

- (1) create an obligation on any employer or employee to disclose wages;
- (2) permit an employee, without the written consent of the employer, to disclose proprietary information, trade secret information, or information that is otherwise subject to a legal privilege or protected by law;

(3) diminish any existing rights under the National Labor Relations Act under United States Code, title 29; or

(4) permit the employee to disclose wage information of other employees to a competitor of their employer.

(c) An employer that provides an employee handbook to its employees must include in the handbook notice of employee rights and remedies under this section.

(d) An employer ~~may~~ shall not discharge, discipline, penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate against an employee for asserting rights or remedies under this section.

(e) An employee may bring a civil action against an employer for a violation of paragraph (a) or (d). If a court finds that an employer has violated paragraph (a) or (d), the court may order reinstatement, back pay, restoration of lost service credit, if appropriate, and the expungement of any related adverse records of an employee who was the subject of the violation.

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

Sec. 24. Minnesota Statutes 2022, section 181.275, subdivision 1, is amended to read:

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

(1) "emergency" means a period when replacement staff are not able to report for duty for the next shift or increased patient need, because of unusual, unpredictable, or unforeseen circumstances such as, but not limited to, an act of terrorism, a disease outbreak, adverse weather conditions, or natural disasters which impact continuity of patient care;

(2) "normal work period" means 12 or fewer consecutive hours consistent with a predetermined work shift;

(3) "nurse" has the meaning given in section 148.171, subdivision 9, and includes nurses employed by the state of Minnesota; and

(4) "taking action against" means discharging; disciplining; penalizing; interfering with; threatening; restraining; coercing; reporting to the Board of Nursing; or otherwise retaliating or discriminating against; ~~or penalizing~~ regarding compensation, terms, conditions, location, or privileges of employment.

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

Sec. 25. **[181.531] EMPLOYER-SPONSORED MEETINGS OR COMMUNICATION.**

Subdivision 1. **Prohibition.** An employer or the employer's agent, representative, or designee must not discharge, discipline, or otherwise penalize or threaten to discharge, discipline, or otherwise penalize or take any adverse employment action against an employee:

(1) because the employee declines to attend or participate in an employer-sponsored meeting or declines to receive or listen to communications from the employer or the agent, representative, or designee of the employer if the meeting or communication is to communicate the opinion of the employer about religious or political matters;

(2) as a means of inducing an employee to attend or participate in meetings or receive or listen to communications described in clause (1); or

(3) because the employee, or a person acting on behalf of the employee, makes a good-faith report, orally or in writing, of a violation or a suspected violation of this section.

Subd. 2. **Remedies.** An aggrieved employee may bring a civil action to enforce this section no later than 90 days after the date of the alleged violation in the district court where the violation is alleged to have occurred or where the principal office of the employer is located. The court may award a prevailing employee all appropriate relief, including injunctive relief, reinstatement to the employee's former position or an equivalent position, back pay and reestablishment of any employee benefits, including seniority, to which the employee would otherwise have been eligible if the violation had not occurred and any other appropriate relief as deemed necessary by the court to make the employee whole. The court shall award a prevailing employee reasonable attorney fees and costs.

Subd. 3. **Notice.** Within 30 days of the effective date of this section, an employer subject to this section shall post and keep posted, a notice of employee rights under this section where employee notices are customarily placed.

Subd. 4. **Scope.** This section does not:

(1) prohibit communications of information that the employer is required by law to communicate, but only to the extent of the lawful requirement;

(2) limit the rights of an employer or its agent, representative, or designee to conduct meetings involving religious or political matters so long as attendance is wholly voluntary or to engage in communications so long as receipt or listening is wholly voluntary; or

(3) limit the rights of an employer or its agent, representative, or designee from communicating to its employees any information that is necessary for the employees to perform their lawfully required job duties.

Subd. 5. **Definitions.** For the purposes of this section:

(1) "political matters" means matters relating to elections for political office, political parties, proposals to change legislation, proposals to change regulations, proposals to change public policy, and the decision to join or support any political party or political, civic, community, fraternal, or labor organization; and

(2) "religious matters" means matters relating to religious belief, affiliation, and practice and the decision to join or support any religious organization or association.

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

Sec. 26. Minnesota Statutes 2022, section 181.932, subdivision 1, is amended to read:

Subdivision 1. **Prohibited action.** An employer shall not discharge, discipline, penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate against, or ~~penalize~~ an employee regarding the employee's compensation, terms, conditions, location, or privileges of employment because:

(1) the employee, or a person acting on behalf of an employee, in good faith, reports a violation, suspected violation, or planned violation of any federal or state law or common law or rule adopted pursuant to law to an employer or to any governmental body or law enforcement official;

(2) the employee is requested by a public body or office to participate in an investigation, hearing, inquiry;

(3) the employee refuses an employer's order to perform an action that the employee has an objective basis in fact to believe violates any state or federal law or rule or regulation adopted pursuant to law, and the employee informs the employer that the order is being refused for that reason;

(4) the employee, in good faith, reports a situation in which the quality of health care services provided by a health care facility, organization, or health care provider violates a standard established by federal or state law or a professionally recognized national clinical or ethical standard and potentially places the public at risk of harm;

(5) a public employee communicates the findings of a scientific or technical study that the employee, in good faith, believes to be truthful and accurate, including reports to a governmental body or law enforcement official; or

(6) an employee in the classified service of state government communicates information that the employee, in good faith, believes to be truthful and accurate, and that relates to state services, including the financing of state services, to:

(i) a legislator or the legislative auditor; or

(ii) a constitutional officer.

The disclosures protected pursuant to this section do not authorize the disclosure of data otherwise protected by law.

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

Sec. 27. Minnesota Statutes 2022, section 181.939, is amended to read:

181.939 NURSING MOTHERS, LACTATING EMPLOYEES, AND PREGNANCY ACCOMMODATIONS.

Subdivision 1. **Nursing mothers and lactating employees.** (a) An employer must provide reasonable break times each day to an employee who needs to express ~~breast milk for her infant child during the twelve months following the birth of the child.~~ The break times ~~must, if possible,~~ may run concurrently with any break times already provided to the employee. ~~An employer is not~~

~~required to provide break times under this section if to do so would unduly disrupt the operations of the employer.~~ An employer shall not reduce an employee's compensation for time used for the purpose of expressing milk.

(b) The employer must make reasonable efforts to provide a clean, private, and secure room or other location, in close proximity to the work area, other than a bathroom or a toilet stall, that is shielded from view and free from intrusion from coworkers and the public and that includes access to an electrical outlet, where the employee can express milk in privacy. The employer would be held harmless if reasonable effort has been made.

(c) For the purposes of this subdivision, "employer" means a person or entity that employs one or more employees and includes the state and its political subdivisions.

(d) An employer shall not discharge, discipline, penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate against an employee for asserting rights or remedies under this subdivision.

Subd. 2. **Pregnancy accommodations.** (a) An employer must provide reasonable accommodations to an employee for health conditions related to pregnancy or childbirth upon request, with the advice of a licensed health care provider or certified doula, unless the employer demonstrates that the accommodation would impose an undue hardship on the operation of the employer's business. A pregnant employee shall not be required to obtain the advice of a licensed health care provider or certified doula, nor may an employer claim undue hardship for the following accommodations: (1) more frequent or longer restroom, food, and water breaks; (2) seating; and (3) limits on lifting over 20 pounds. The employee and employer shall engage in an interactive process with respect to an employee's request for a reasonable accommodation. Reasonable accommodation may include but is not limited to temporary transfer to a less strenuous or hazardous position, temporary leave of absence, modification in work schedule or job assignments, seating, more frequent restroom breaks or longer break periods, and limits to heavy lifting. Notwithstanding any other provision of this subdivision, an employer shall not be required to create a new or additional position in order to accommodate an employee pursuant to this subdivision and shall not be required to discharge an employee, transfer another employee with greater seniority, or promote an employee.

(b) Nothing in this subdivision shall be construed to affect any other provision of law relating to sex discrimination or pregnancy or in any way diminish the coverage of pregnancy, childbirth, or health conditions related to pregnancy or childbirth under any other provisions of any other law.

(c) An employer shall not require an employee to take a leave or accept an accommodation.

(d) An employer shall not discharge, discipline, penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate against an employee for asserting rights or remedies under this subdivision.

(e) For the purposes of this subdivision, "employer" means a person or entity that employs ~~fifteen~~ one or more employees and includes the state and its political subdivisions.

Subd. 3. **Notice to employees.** An employer shall inform employees of their rights under this section at the time of hire and when an employee makes an inquiry about or requests parental leave. Information must be provided in English and the primary language of the employee as identified

by the employee. An employer that provides an employee handbook to its employees must include in the handbook notice of employee rights and remedies under this section. The commissioner shall make available to employers the text to be included in the notice required by this section in English and the five most common languages spoken in Minnesota.

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

Sec. 28. Minnesota Statutes 2022, section 181.940, subdivision 2, is amended to read:

Subd. 2. **Employee.** "Employee" means a person who performs services for hire for an employer from whom a leave is requested under sections 181.940 to 181.944 ~~for:~~

(1) ~~at least 12 months preceding the request; and~~

(2) ~~for an average number of hours per week equal to one half the full time equivalent position in the employee's job classification as defined by the employer's personnel policies or practices or pursuant to the provisions of a collective bargaining agreement, during the 12-month period immediately preceding the leave.~~

Employee includes all individuals employed ~~at any site owned or operated~~ by the employer but does not include an independent contractor.

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

Sec. 29. Minnesota Statutes 2022, section 181.940, subdivision 3, is amended to read:

Subd. 3. **Employer.** "Employer" means a person or entity that employs ~~21~~ one or more employees ~~at at least one site, except that, for purposes of the school leave allowed under section 181.9412, employer means a person or entity that employs one or more employees in Minnesota. The term and~~ includes an individual, corporation, partnership, association, business, trust, nonprofit organization, group of persons, state, county, town, city, school district, or other governmental subdivision.

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

Sec. 30. Minnesota Statutes 2022, section 181.941, subdivision 3, is amended to read:

Subd. 3. **No employer retribution.** An employer shall not discharge, discipline, penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate against an employee for requesting or obtaining a leave of absence as provided by this section.

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

Sec. 31. Minnesota Statutes 2022, section 181.9413, is amended to read:

181.9413 SICK LEAVE BENEFITS; CARE OF RELATIVES.

(a) An employee may use personal sick leave benefits provided by the employer for absences due to an illness of or injury to the employee's child, as defined in section 181.940, subdivision 4, adult child, spouse, sibling, parent, mother-in-law, father-in-law, grandchild, grandparent, or

stepparent, for reasonable periods of time as the employee's attendance may be necessary, on the same terms upon which the employee is able to use sick leave benefits for the employee's own illness or injury. This section applies only to personal sick leave benefits payable to the employee from the employer's general assets.

(b) An employee may use sick leave as allowed under this section for safety leave, whether or not the employee's employer allows use of sick leave for that purpose for such reasonable periods of time as may be necessary. Safety leave may be used for assistance to the employee or assistance to the relatives described in paragraph (a). For the purpose of this section, "safety leave" is leave for the purpose of providing or receiving assistance because of sexual assault, domestic abuse, or harassment or stalking. For the purpose of this paragraph:

(1) "domestic abuse" has the meaning given in section 518B.01;

(2) "sexual assault" means an act that constitutes a violation under sections 609.342 to 609.3453 or 609.352; and

(3) "harass" and "stalking" have the meanings given in section 609.749.

(c) An employer may limit the use of safety leave as described in paragraph (b) or personal sick leave benefits provided by the employer for absences due to an illness of or injury to the employee's adult child, spouse, sibling, parent, mother-in-law, father-in-law, grandchild, grandparent, or stepparent to no less than 160 hours in any 12-month period. This paragraph does not apply to absences due to the illness or injury of a child, as defined in section 181.940, subdivision 4.

(d) For purposes of this section, "personal sick leave benefits" means time accrued and available to an employee to be used as a result of absence from work due to personal illness or injury, but does not include short-term or long-term disability or other salary continuation benefits.

(e) For the purpose of this section, "child" includes a stepchild and a biological, adopted, and foster child.

(f) For the purpose of this section, "grandchild" includes a step-grandchild, and a biological, adopted, and foster grandchild.

(g) This section does not prevent an employer from providing greater sick leave benefits than are provided for under this section.

(h) An employer shall not discharge, discipline, penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate against an employee for requesting or obtaining a leave of absence under this section.

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

Sec. 32. Minnesota Statutes 2022, section 181.942, is amended to read:

181.942 REINSTATEMENT AFTER LEAVE.

Subdivision 1. **Comparable position.** (a) An employee returning from a leave of absence under section 181.939 or 181.941 is entitled to return to employment in the employee's former position

or in a position of comparable duties, number of hours, and pay. An employee returning from a leave of absence longer than one month must notify a supervisor at least two weeks prior to return from leave. An employee returning from a leave under section 181.9412 or 181.9413 is entitled to return to employment in the employee's former position.

(b) If, during a leave under sections ~~181.940~~ 181.939 to 181.944, the employer experiences a layoff and the employee would have lost a position had the employee not been on leave, pursuant to the good faith operation of a bona fide layoff and recall system, including a system under a collective bargaining agreement, the employee is not entitled to reinstatement in the former or comparable position. In such circumstances, the employee retains all rights under the layoff and recall system, including a system under a collective bargaining agreement, as if the employee had not taken the leave.

Subd. 2. **Pay; benefits; on return.** An employee returning from a leave of absence under sections ~~181.940~~ 181.939 to 181.944 is entitled to return to employment at the same rate of pay the employee had been receiving when the leave commenced, plus any automatic adjustments in the employee's pay scale that occurred during leave period. The employee returning from a leave is entitled to retain all accrued preleave benefits of employment and seniority, as if there had been no interruption in service; provided that nothing in sections ~~181.940~~ 181.939 to 181.944 prevents the accrual of benefits or seniority during the leave pursuant to a collective bargaining or other agreement between the employer and employees.

Subd. 3. **Part-time return.** An employee, by agreement with the employer, may return to work part time during the leave period without forfeiting the right to return to employment at the end of the leave period, as provided in sections ~~181.940~~ 181.939 to 181.944.

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

Sec. 33. Minnesota Statutes 2022, section 181.9436, is amended to read:

181.9436 POSTING OF LAW.

The Division of Labor Standards and Apprenticeship shall develop, with the assistance of interested business and community organizations, an educational poster stating employees' rights under sections ~~181.940~~ 181.939 to 181.9436. The department shall make the poster available, upon request, to employers for posting on the employer's premises.

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

Sec. 34. Minnesota Statutes 2022, section 181.945, subdivision 3, is amended to read:

Subd. 3. **No employer sanctions.** An employer shall not discharge, discipline, penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate against an employee for requesting or obtaining a leave of absence as provided by this section.

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

Sec. 35. Minnesota Statutes 2022, section 181.9456, subdivision 3, is amended to read:

Subd. 3. **No employer sanctions.** An employer shall not discharge, discipline, penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate against an employee for requesting or obtaining a leave of absence as provided by this section.

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

Sec. 36. Minnesota Statutes 2022, section 181.956, subdivision 5, is amended to read:

Subd. 5. **Retaliation prohibited.** An employer ~~may~~ shall not discharge, discipline, penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate against an employee for asserting rights and remedies provided in sections 181.950 to 181.954.

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

Sec. 37. Minnesota Statutes 2022, section 181.964, is amended to read:

181.964 RETALIATION PROHIBITED.

An employer ~~may~~ shall not discharge, discipline, penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate against an employee for asserting rights or remedies provided in sections 181.960 to 181.965.

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

Sec. 38. **[181.991] RESTRICTIVE FRANCHISE AGREEMENTS PROHIBITED.**

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

(b) "Employee" means an individual employed by an employer and includes independent contractors.

(c) "Employer" has the meaning given in section 177.23, subdivision 6.

(d) "Franchise," "franchisee," and "franchisor" have the meanings given in section 80C.01, subdivisions 4 to 6.

Subd. 2. Prohibition on restrictive franchise agreements. (a) No franchisor may restrict, restrain, or prohibit in any way a franchisee from soliciting or hiring an employee of a franchisee of the same franchisor.

(b) No franchisor may restrict, restrain, or prohibit in any way a franchisee from soliciting or hiring an employee of the franchisor.

(c) Any provision of an existing contract that violates paragraph (a) or (b) is void and unenforceable.

Subd. 3. Franchise agreement amendment. Notwithstanding any law to the contrary, no later than one year from the effective date of this section, franchisors shall:

(1) amend existing franchise agreements to remove any restrictive employment provision that violates subdivision 2; or

(2) sign a memorandum of understanding with each franchisee that provides that any contract provisions that violate subdivision 2 in any way are void and unenforceable, and provides notice to the franchisee of their rights and obligations under this section.

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

Sec. 39. Minnesota Statutes 2022, section 182.659, subdivision 1, is amended to read:

Subdivision 1. **Authority to inspect.** In order to carry out the purposes of this chapter, the commissioner, upon presenting appropriate credentials to the owner, operator, or agent in charge, is authorized to enter without delay and at reasonable times any place of employment; and to inspect and investigate during regular working hours and at other reasonable times, and within reasonable limits and in a reasonable manner, any such place of employment and all pertinent conditions, structures, machines, apparatus, devices, equipment, and materials therein, and to question privately any such employer, owner, operator, agent or employee. An employer or its representatives, including but not limited to its management, attorneys, or consultants, may not be present for any employee interview.

Sec. 40. Minnesota Statutes 2022, section 182.659, subdivision 8, is amended to read:

Subd. 8. **Protection from subpoena; data.** Neither the commissioner nor any current or former employee of the department, including those employees of the Department of Health providing services to the Department of Labor and Industry, pursuant to section 182.67, subdivision 1, is subject to subpoena for purposes of inquiry into any occupational safety and health inspection except in enforcement proceedings brought under this chapter. Data that identify individuals who provide data to the department as part of an investigation conducted under this chapter shall be private.

Sec. 41. Minnesota Statutes 2022, section 182.66, is amended by adding a subdivision to read:

Subd. 4. **Classification of citation data.** Notwithstanding section 13.39, subdivision 2, the data in a written citation is classified as public data 20 days after the employer has received the citation. All data in the citation is public, including but not limited to the employer's name, the employer's address, and the address of the worksite; the date or dates of inspection; the date the citation was issued; the provision of the act, standard, rule, or order alleged to have been violated; the severity level of the citation; the description of the nature of the violation; the proposed abatement date; the proposed penalty; and any abatement guidelines. If a notice of contest is filed contesting any part of a citation pursuant to section 182.661, subdivision 3, the date that the notice was filed shall also be classified as public data 20 days after the employer has received the citation. When citation data is requested, the department must also provide any final settlement agreement or order amending or withdrawing the citation.

Sec. 42. Minnesota Statutes 2022, section 182.661, is amended by adding a subdivision to read:

Subd. 3c. **Contestation of time for correction of a violation.** (a) Where an employer contests the period of time fixed for correction of a violation that is not a serious, willful, or repeat violation, the period of time shall not run until the order of the commissioner becomes final.

(b) Where an employer or employee contests the period of time fixed for correction of a violation that is a serious, willful, or repeat violation, the commissioner may refer the matter to the office of administrative hearings for an expedited contested case hearing solely on the reasonableness of the time fixed for correction. The administrative law judge may order the employer to correct the violation pending final resolution of the cited violations on the merits.

Sec. 43. Minnesota Statutes 2022, section 182.676, is amended to read:

182.676 SAFETY COMMITTEES.

(a) Every public or private employer of more than 25 employees shall establish and administer a joint labor-management safety committee.

(b) Every public or private employer of 25 or fewer employees shall establish and administer a safety committee if: it is subject to the requirements of section 182.653, subdivision 8.

~~(1) the employer has a lost workday cases incidence rate in the top ten percent of all rates for employers in the same industry; or~~

~~(2) the workers' compensation premium classification assigned to the greatest portion of the payroll for the employer has a pure premium rate as reported by the Workers' Compensation Rating Association in the top 25 percent of premium rates for all classes.~~

(c) A safety committee must hold regularly scheduled meetings unless otherwise provided in a collective bargaining agreement.

(d) Employee safety committee members must be selected by employees. An employer that fails to establish or administer a safety committee as required by this section may be cited by the commissioner. A citation is punishable as a serious violation under section 182.666.

The commissioner may adopt rules necessary to implement this section.

Sec. 44. Minnesota Statutes 2022, section 326B.093, subdivision 4, is amended to read:

Subd. 4. **Examination results.** If the applicant receives a passing score on the examination and meets all other requirements for licensure, the commissioner must approve the application and notify the applicant of the approval within 60 days of the date of the passing score. The applicant must, within 180 days after the notification of approval, pay the license fee. Upon receipt of the license fee, the commissioner must issue the license. If the applicant does not pay the license fee within 180 days after the notification of approval, the commissioner will rescind the approval and must deny the application. If the applicant does not receive a passing score on the examination, the commissioner must deny the application. If the application is denied because of the applicant's failure to receive a passing score on the examination, then the applicant cannot submit a new application for the license until at least 30 days after the notification date of denial ~~the failed examination~~.

Sec. 45. Minnesota Statutes 2022, section 326B.106, is amended by adding a subdivision to read:

Subd. 16. **Refrigerants designated as acceptable for use.** No provision of the code or appendix chapter of the code may prohibit or otherwise limit the use of a refrigerant designated as acceptable for use in accordance with United States Code, title 42, section 7671k, provided any equipment containing the refrigerant is listed and installed in full compliance with all applicable requirements, safety standards, and use conditions imposed pursuant to such a designation or as otherwise required by law.

Sec. 46. Minnesota Statutes 2022, 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.

Sec. 47. Minnesota Statutes 2022, section 326B.163, is amended by adding a subdivision to read:

Subd. 5a. **Platform lift.** As used in this chapter, "platform lift" means a powered hoisting and lowering device designed to transport mobility-impaired persons on a guided platform.

Sec. 48. Minnesota Statutes 2022, 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, excluding vertical reciprocating conveyors;
- (2) platform lifts not covered under section 326B.163, subdivision 5a; or
- (3) dock levelers.

Sec. 49. Minnesota Statutes 2022, section 326B.31, subdivision 30, is amended to read:

Subd. 30. **Technology system contractor.** "Technology system contractor" means a licensed contractor whose responsible licensed individual is a licensed power limited technician or licensed master electrician.

Sec. 50. Minnesota Statutes 2022, section 326B.32, subdivision 1, is amended to read:

Subdivision 1. **Composition.** (a) The Board of Electricity shall consist of 12 members. Eleven members shall be appointed by the governor with the advice and consent of the senate and shall be

voting members. Appointments of members by the governor shall be made in accordance with section 15.066. If the senate votes to refuse to consent to an appointment of a member made by the governor, the governor shall appoint a new member with the advice and consent of the senate. One member shall be the commissioner of labor and industry or the commissioner's designee, who shall be a voting member. Of the 11 appointed members, the composition shall be as follows:

- (1) one member shall be an electrical inspector;
- (2) two members shall be representatives of the electrical suppliers in rural areas;
- (3) two members shall be master electricians, who shall be contractors;
- (4) two members shall be journeyworker electricians;
- (5) one member shall be a registered consulting electrical engineer;
- (6) ~~two members~~ one member shall be a power limited technicians technician, who shall be a technology system ~~contractors primarily engaged in the business of installing technology circuits or systems~~ contractor; and
- (7) one member shall be a power limited technician; and
- ~~(7)~~ (8) one member shall be a public member as defined by section 214.02.

The electrical inspector shall be appointed to a term to end December 31, 2011. One of the rural electrical suppliers shall be appointed for a term to end December 31, 2011. The other rural electrical supplier shall be appointed for a term to end December 31, 2010. The consulting electrical engineer shall be appointed for a term to end December 31, 2011. One of the master electrician contractors shall be appointed for a term to end December 31, 2011. The other master electrician contractor shall be appointed for a term to end December 31, 2010. One of the journeyworker electricians shall be appointed for a term to end December 31, 2011. The other journeyworker electrician shall be appointed for a term to end December 31, 2010. One of the power limited technicians shall be appointed for a term to end December 31, 2011. The other power limited technician shall be appointed for a term to end December 31, 2010. The public member shall be appointed for a term to end December 31, 2010.

(b) The consulting electrical engineer must possess a current Minnesota professional engineering license and maintain the license for the duration of the term on the board. All other appointed members, except for the public member and the representatives of electrical suppliers in rural areas, must possess a current electrical license issued by the Department of Labor and Industry and maintain that license for the duration of their terms. All appointed members must be residents of Minnesota at the time of and throughout the member's appointment. The term of any appointed member that does not maintain membership qualification status shall end on the date of the status change and the governor shall appoint a new member. It is the responsibility of the member to notify the board of their status change.

(c) For appointed members, except the initial terms designated in paragraph (a), each term shall be three years with the terms ending on December 31. Members appointed by the governor shall be limited to three consecutive terms. The governor shall, all or in part, reappoint the current members

or appoint replacement members with the advice and consent of the senate. Midterm vacancies shall be filled for the remaining portion of the term. Vacancies occurring with less than six months time remaining in the term shall be filled for the existing term and the following three-year term. Members may serve until their successors are appointed but in no case later than July 1 in a year in which the term expires unless reappointed.

Sec. 51. Minnesota Statutes 2022, section 326B.36, subdivision 7, is amended to read:

Subd. 7. **Exemptions from inspections.** Installations, materials, or equipment shall not be subject to inspection under sections 326B.31 to 326B.399:

(1) when owned or leased, operated and maintained by any employer whose maintenance electricians are exempt from licensing under sections 326B.31 to 326B.399, while performing electrical maintenance work only as defined by rule;

(2) when owned or leased, and operated and maintained by any electrical, communications, or railway utility, cable communications company as defined in section 238.02, or telephone company as defined under section 237.01, in the exercise of its utility, antenna, or telephone function; and

(i) are used exclusively for the generations, transformation, distribution, transmission, load control, or metering of electric current, or the operation of railway signals, or the transmission of intelligence, and do not have as a principal function the consumption or use of electric current by or for the benefit of any person other than such utility, cable communications company, or telephone company; and

(ii) are generally accessible only to employees of such utility, cable communications company, or telephone company or persons acting under its control or direction; and

(iii) are not on the load side of the service point or point of entrance for communication systems;

(3) when used in the street lighting operations of an electrical utility;

(4) when used as outdoor area lights which are owned and operated by an electrical utility and which are connected directly to its distribution system and located upon the utility's distribution poles, and which are generally accessible only to employees of such utility or persons acting under its control or direction;

(5) when the installation, material, and equipment are in facilities subject to the jurisdiction of the federal Mine Safety and Health Act; or

(6) when the installation, material, and equipment is part of an elevator installation for which the elevator contractor, licensed under section 326B.164, is required to obtain a permit from the authority having jurisdiction as provided by section 326B.184, and the inspection has been or will be performed by an elevator inspector certified and licensed by the department. This exemption shall apply only to installations, material, and equipment permitted or required to be connected on the load side of the disconnecting means required for elevator equipment under National Electrical Code Article 620, and elevator communications and alarm systems within the machine room, car, hoistway, or elevator lobby.

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

Sec. 52. Minnesota Statutes 2022, section 326B.36, is amended by adding a subdivision to read:

Subd. 8. Electric utility exemptions; additional requirements. For exemptions to inspections exclusively for load control allowed for electrical utilities under subdivision 7, clause (2), item (i), the exempted work must be:

(1) performed by a licensed electrician employed by a class A electrical contractor licensed under section 326B.33;

(2) for replacement or repair of existing equipment for an electric utility other than a public utility as defined in section 216B.02, subdivision 4, only; and

(3) completed on or before December 31, 2028.

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

Sec. 53. Minnesota Statutes 2022, section 326B.805, subdivision 6, is amended to read:

Subd. 6. **Exemptions.** The license requirement does not apply to:

(1) an employee of a licensee performing work for the licensee;

(2) a material person, manufacturer, or retailer furnishing finished products, materials, or articles of merchandise who does not install or attach the items;

(3) an owner of residential real estate who builds or improves ~~any structure on~~ residential real estate, if the ~~building or improving is performed by the owner's bona fide employees or by individual owners personally.~~ owner occupies or will occupy the residential real estate for residential purposes, or will retain ownership for rental purposes upon completion of the building or improvement. This exemption does not apply to an owner who constructs or improves ~~property~~ residential real estate for purposes of resale or speculation if the building or improving is performed by the owner's bona fide employees or by individual owners personally. A. An owner of residential building contractor or residential remodeler real estate will be presumed to be building or improving for purposes of speculation if the ~~contractor or remodeler~~ owner constructs or improves more than one property within any 24-month period, unless the properties will be retained by the owner for rental purposes;

(4) an architect or professional engineer engaging in professional practice as defined by section 326.02, subdivisions 2 and 3;

(5) a person whose total gross annual receipts for performing specialty skills for which licensure would be required under this section do not exceed \$15,000;

(6) a mechanical contractor;

(7) a plumber, electrician, or other person whose profession is otherwise subject to statewide licensing, when engaged in the activity which is the subject of that licensure;

(8) specialty contractors who provide only one special skill as defined in section 326B.802;

(9) a school district, or a technical college governed under chapter 136F; and

(10) Habitat for Humanity and Builders Outreach Foundation, and their individual volunteers when engaged in activities on their behalf.

To qualify for the exemption in clause (5), a person must obtain a certificate of exemption from licensure from the commissioner. A certificate of exemption will be issued upon the applicant's filing with the commissioner, an affidavit stating that the applicant does not expect to exceed \$15,000 in gross annual receipts derived from performing services which require licensure under this section during the calendar year in which the affidavit is received. For the purposes of calculating fees under section 326B.092, a certificate of exemption is an entry level license. To renew the exemption in clause (5), the applicant must file an affidavit stating that the applicant did not exceed \$15,000 in gross annual receipts during the past calendar year. If a person, operating under the exemption in clause (5), exceeds \$15,000 in gross receipts during any calendar year, the person must immediately surrender the certificate of exemption and apply for the appropriate license. The person must remain licensed until such time as the person's gross annual receipts during a calendar year fall below \$15,000. The person may then apply for an exemption for the next calendar year.

Sec. 54. Minnesota Statutes 2022, section 326B.921, subdivision 8, is amended to read:

~~Subd. 8. **Reciprocity with other states.** The commissioner may issue a temporary license without examination, upon payment of the required fee, to nonresident applicants who are licensed under the laws of a state having standards for licensing which the commissioner determines are substantially equivalent to the standards of this state if the other state grants similar privileges to Minnesota residents duly licensed in this state. Applicants who receive a temporary license under this section may acquire an aggregate of 24 months of experience before they have to apply and pass the licensing examination. Applicants must register with the commissioner of labor and industry and the commissioner shall set a fee for a temporary license. Applicants have five years in which to comply with this section.~~

(a) The commissioner may enter into reciprocity agreements for personal licenses with another state if approved by the board. Once approved by the board, the commissioner may issue a personal license without requiring the applicant to pass an examination provided the applicant:

(1) submits an application under this section;

(2) pays the application and examination fee and license fee required under section 326B.092;
and

(3) holds a valid comparable license in the state participating in the agreement.

(b) Reciprocity agreements are subject to the following:

(1) the parties to the agreement must administer a statewide licensing program that includes examination and qualifying experience or training comparable to Minnesota's licensing program;

(2) the experience and training requirements under which an individual applicant qualified for examination in the qualifying state must be deemed equal to or greater than required for an applicant

making application in Minnesota at the time the applicant acquired the license in the qualifying state;

(3) the applicant must have acquired the license in the qualifying state through an examination deemed equivalent to the same class of license examination in Minnesota;

(4) at the time of application, the applicant must hold a valid license in the qualifying state and have held the license continuously for at least one year before making application in Minnesota;

(5) an applicant is not eligible for a license under this subdivision if the applicant has failed the same or greater class of license examination in Minnesota, or if the applicant's license of the same or greater class has been revoked or suspended; and

(6) an applicant who has failed to renew a personal license for two years or more after its expiration is not eligible for a license under this subdivision.

Sec. 55. Minnesota Statutes 2022, section 326B.925, subdivision 1, is amended to read:

Subdivision 1. **Composition.** (a) The Board of High Pressure Piping Systems shall consist of 13 members. Twelve members shall be appointed by the governor with the advice and consent of the senate and shall be voting members. Appointments of members by the governor shall be made in accordance with section 15.066. If the senate votes to refuse to consent to an appointment of a member made by the governor, the governor shall appoint a new member with the advice and consent of the senate. One member shall be the commissioner of labor and industry or the commissioner of labor and industry's designee, who shall be a voting member. Of the 12 appointed members, the composition shall be as follows:

(1) one member shall be a high pressure piping inspector;

(2) one member shall be a licensed mechanical engineer;

(3) one member shall be a representative of the high pressure piping industry;

(4) four members shall be master high pressure pipefitters engaged in the business of high pressure piping, two from the metropolitan area and two from greater Minnesota;

(5) two members shall be journeyworker high pressure pipefitters ~~engaged in the business of high pressure piping systems installation~~, one from the metropolitan area and one from greater Minnesota;

(6) one member shall be a representative of industrial companies that use high pressure piping systems in their industrial process;

(7) one member shall be a representative from utility companies in Minnesota; and

(8) one member shall be a public member as defined by section 214.02.

The high pressure piping inspector shall be appointed for a term to end December 31, 2011. The professional mechanical engineer shall be appointed for a term to end December 31, 2010. The representative of the high pressure piping industry shall be appointed for a term to end December

31, 2011. Two of the master high pressure pipefitters shall be appointed for a term to end December 31, 2011. The other two master high pressure pipefitters shall be appointed for a term to end December 31, 2010. One of the journeyworker high pressure pipefitters shall be appointed for a term to end December 31, 2011. The other journeyworker high pressure pipefitter shall be appointed for a term to end December 31, 2010. The one representative of industrial companies that use high pressure piping systems in their industrial process shall be appointed for a term to end December 31, 2010. The one representative of a utility company in Minnesota shall be appointed for a term to end December 31, 2010. The public member shall be appointed for a term to end December 31, 2010.

(b) The licensed professional mechanical engineer must possess a current Minnesota professional engineering license and maintain the license for the duration of their term. All other appointed members, except for the representative of the piping industry, the representative of industrial companies that use high pressure piping systems, the public member, and the representative of public utility companies in Minnesota, must possess a current high pressure piping license issued by the Department of Labor and Industry and maintain that license for the duration of their term. All appointed members must be residents of Minnesota at the time of and throughout the member's appointment. The term of any appointed member that does not maintain membership qualification status shall end on the date of status change and the governor shall appoint a new member. It is the responsibility of the member to notify the board of the member's status change.

(c) For appointed members, except the initial terms designated in paragraph (a), each term shall be three years with the terms ending on December 31. Members appointed by the governor shall be limited to three consecutive terms. The governor shall, all or in part, reappoint the current members or appoint replacement members with the advice and consent of the senate. Midterm vacancies shall be filled for the remaining portion of the term. Vacancies occurring with less than six months time remaining in the term shall be filled for the existing term and the following three-year term. Members may serve until their successors are appointed but in no case later than July 1 in a year in which the term expires unless reappointed.

Sec. 56. Minnesota Statutes 2022, section 326B.988, is amended to read:

326B.988 EXCEPTIONS.

(a) The provisions of sections 326B.95 to 326B.998 shall not apply to:

(1) boilers and pressure vessels in buildings occupied solely for residence purposes with accommodations for not more than five families;

(2) railroad locomotives operated by railroad companies for transportation purposes;

(3) air tanks installed on the right-of-way of railroads and used directly in the operation of trains;

(4) boilers and pressure vessels under the direct jurisdiction of the United States;

(5) unfired pressure vessels having an internal or external working pressure not exceeding 15 psig with no limit on size;

(6) pressure vessels used for storage of compressed air not exceeding five cubic feet in volume and equipped with an ASME code stamped safety valve set at a maximum of 100 psig;

- (7) pressure vessels having an inside diameter not exceeding six inches;
- (8) every vessel that contains water under pressure, including those containing air that serves only as a cushion, whose design pressure does not exceed 300 psig and whose design temperature does not exceed 210 degrees Fahrenheit;
- (9) boiler or pressure vessels located on farms used solely for agricultural or horticultural purposes; for purposes of this section, boilers used for mint oil extraction are considered used for agricultural or horticultural purposes, provided that the owner or lessee complies with the inspection requirements contained in section 326B.958;
- (10) tanks or cylinders used for storage or transfer of liquefied petroleum gases;
- (11) unfired pressure vessels in petroleum refineries;
- (12) an air tank or pressure vessel which is an integral part of a passenger motor bus, truck, or trailer;
- (13) hot water heating and other hot liquid boilers not exceeding a heat input of 750,000 BTU per hour;
- (14) hot water supply boilers (~~water heaters~~) not exceeding a heat input of ~~500,000~~ 200,000 BTU per hour, ~~a water temperature of 210 degrees Fahrenheit, or potable water heaters not exceeding a heat input of 200,000 BTU per hour or a nominal water capacity of 120 gallons, or a pressure of 160 psig;~~
- (15) a laundry and dry cleaning press not exceeding five cubic feet of steam volume;
- (16) pressure vessels operated full of water or other liquid not materially more hazardous than water, if the vessel's contents' temperature does not exceed 210 degrees Fahrenheit or a pressure of 200 psig;
- (17) steam-powered turbines at papermaking facilities which are powered by steam generated by steam facilities at a remote location;
- (18) manually fired boilers for model locomotive, boat, tractor, stationary engine, or antique motor vehicles constructed or maintained only as a hobby for exhibition, educational or historical purposes and not for commercial use, if the boilers have an inside diameter of 12 inches or less, or a grate area of two square feet or less, and are equipped with an ASME stamped safety valve of adequate size, a water level indicator, and a pressure gauge;
- (19) any pressure vessel used as an integral part of an electrical circuit breaker;
- (20) pressure vessels used for the storage of refrigerant if they are built to ASME code specifications, registered with the national board, and equipped with an ASME code-stamped pressure-relieving device set no higher than the maximum allowable working pressure of the vessel. This does not include pressure vessels used in ammonia refrigeration systems;
- (21) pressure vessels used for the storage of oxygen, nitrogen, helium, carbon dioxide, argon, nitrous oxide, or other medical gas, provided the vessel is constructed to ASME or Minnesota

Department of Transportation specifications and equipped with an ASME code-stamped pressure-relieving device. The owner of the vessels shall perform annual visual inspections and planned maintenance on these vessels to ensure vessel integrity;

(22) pressure vessels used for the storage of compressed air for self-contained breathing apparatuses;

(23) hot water heating or other hot liquid boilers vented directly to the atmosphere; and

(24) pressure vessels used for the storage of compressed air not exceeding 1.5 cubic feet (11.22 gallons) in volume with a maximum allowable working pressure of 600 psi or less.

(b) An engineer's license is not required for hot water supply boilers.

(c) An engineer's license and annual inspection by the department is not required for boilers, steam cookers, steam kettles, steam sterilizers or other steam generators not exceeding 100,000 BTU per hour input, 25 kilowatt, and a pressure of 15 psig.

(d) Electric boilers not exceeding a maximum working pressure of 50 psig, maximum of 30 kilowatt input or three horsepower rating shall be inspected as pressure vessels and shall not require an engineer license to operate.

Sec. 57. **[327.30] SACRED COMMUNITIES AND MICRO-UNIT DWELLINGS.**

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

(b) Chronically homeless" means an individual who:

(1) is homeless and lives or resides in a place not meant for human habitation, a safe haven, or in an emergency shelter;

(2) has been homeless and living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter continuously for at least one year or on at least four separate occasions in the last three years; and

(3) has an adult head of household, or a minor head-of-household if no adult is present in the household, with a diagnosable substance use disorder, serious mental illness, developmental disability, post-traumatic stress disorder, cognitive impairments resulting from a brain injury, or chronic physical illness or disability, including the co-occurrence of two or more of those conditions.

(c) "Designated volunteers" means persons who have not experienced homelessness and have been approved by the religious institution to live in a sacred community as their sole form of housing.

(d) "Extremely low income" means an income that is equal to or less than 30 percent of the area median income, adjusted for family size, as estimated by the Department of Housing and Urban Development.

(e) "Micro unit" means a mobile residential dwelling providing permanent housing within a sacred community that meets the requirements of subdivision 4.

(f) "Religious institution" means a church, synagogue, mosque, or other religious organization organized under chapter 315.

(g) "Sacred community" means a residential settlement established on or contiguous to the grounds of a religious institution's primary worship location primarily for the purpose of providing permanent housing for chronically homeless persons, extremely low-income persons, and designated volunteers that meets the requirements of subdivision 3.

Subd. 2. **Dwelling in micro units in sacred communities authorized.** Religious institutions are authorized to provide permanent housing to people who are chronically homeless, extremely low-income, or designated volunteers, in sacred communities composed of micro units subject to the provisions of this section. Each religious institution that has sited a sacred community must annually certify to the local unit of government that it has complied with the eligibility requirements for residents of a sacred community in this section.

Subd. 3. **Sacred community requirements.** (a) A sacred community must provide residents of micro units access to water and electric utilities either by connecting the micro units to the utilities that are serving the principal building on the lot or by other comparable means, or by providing the residents access to permanent common kitchen facilities and common facilities for toilet, bathing, and laundry with the number and type of fixtures required for an R-2 boarding house under Minnesota Rules, part 1305.2902. Any units that are plumbed shall not be included in determining the minimum number of fixtures required for the common facilities.

(b) A sacred community under this section must:

(1) be appropriately insured;

(2) have between one-third and 40 percent of the micro units occupied by designated volunteers; and

(3) provide the municipality with a written plan approved by the religious institution's governing board that outlines:

(i) disposal of water and sewage from micro units if not plumbed;

(ii) septic tank drainage if plumbed units are not hooked up to the primary worship location's system;

(iii) adequate parking, lighting, and access to units by emergency vehicles;

(iv) protocols for security and addressing conduct within the settlement; and

(v) safety protocols for severe weather.

(c) A sacred community meeting the requirements of this section shall be approved and regulated as a permitted use, conditional use, or planned unit development, as determined by the municipality. When approved, additional permitting is not required for individual micro units.

(d) Sacred communities are subject to the laws governing landlords and tenants under chapter 504B.

Subd. 4. **Micro unit requirements.** (a) In order to be eligible to be placed within a sacred community, a micro unit must be built to the requirements of the American National Standards Institute (ANSI) Code 119.5, which includes standards for heating, electrical systems, and fire and life safety. A micro unit must also meet the following technical requirements:

(1) be no more than 400 gross square feet;

(2) be built on a permanent chassis and anchored to pin foundations with engineered fasteners;

(3) have exterior materials that are compatible in composition, appearance, and durability to the exterior materials used in standard residential construction;

(4) have a minimum insulation rating of R-20 in walls, R-30 in floors, and R-38 in ceilings, as well as residential grade insulated doors and windows;

(5) have a dry, compostable, or plumbed toilet or other system meeting the requirements of the Minnesota Pollution Control Agency, Chapters 7035, 7040, 7049, and 7080, or other applicable rules;

(6) have either an electrical system that meets NFPA 70 NEC, section 551 or 552 as applicable or a low voltage electrical system that meets ANSI/RVIA Low Voltage Standard, current edition;

(7) have minimum wall framing with two inch by four inch wood or metal studs with framing of 16 inches to 24 inches on center, or the equivalent in structural insulated panels, with a floor load of 40 pounds per square foot and a roof live load of 42 pounds per square foot; and

(8) have smoke and carbon monoxide detectors installed.

(b) All micro units, including their anchoring, must be inspected and certified for compliance with these requirements by a licensed Minnesota professional engineer or qualified third-party inspector for ANSI compliance accredited pursuant to either the American Society for Testing and Materials Appendix E541 or ISO/IEC 17020.

(c) Micro units that connect to utilities such as water, sewer, gas, or electric, must obtain any permits or inspections required by the municipality or utility company for that connection.

(d) Micro units must comply with municipal setback requirements established by ordinance for manufactured homes. If a municipality does not have such an ordinance, micro units must be set back on all sides by at least ten feet.

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

Sec. 58. Minnesota Statutes 2022, section 572B.17, is amended to read:

572B.17 WITNESSES; SUBPOENAS; DEPOSITIONS; DISCOVERY.

(a) An arbitrator may issue a subpoena for the attendance of a witness and for the production of records and other evidence at any hearing and may administer oaths. A subpoena must be served in the manner for service of subpoenas in a civil action and, upon motion to the court by a party to

the arbitration proceeding or the arbitrator, enforced in the manner for enforcement of subpoenas in a civil action.

(b) On request of a party to or a witness in an arbitration proceeding, an arbitrator may permit a deposition of any witness to provide testimony at the arbitration hearing, including a witness who cannot be subpoenaed for or is unable to attend a hearing, to be taken under conditions determined by the arbitrator for use as evidence in order to make the proceeding fair, expeditious, and cost-effective.

(c) An arbitrator may permit such discovery as the arbitrator decides is appropriate in the circumstances, taking into account the needs of the parties to the arbitration proceeding and other affected persons and the desirability of making the proceeding fair, expeditious, and cost-effective.

(d) If an arbitrator permits discovery under subsection (c), the arbitrator may order a party to the arbitration proceeding to comply with the arbitrator's discovery-related orders, including the issuance of a subpoena for the attendance of a witness and for the production of records and other evidence at a discovery proceeding, and may take action against a party to the arbitration proceeding who does not comply to the extent permitted by law as if the controversy were the subject of a civil action in this state.

(e) An arbitrator may issue a protective order to prevent the disclosure of privileged information, confidential information, trade secrets, data classified as nonpublic or private pursuant to chapter 13, and other information protected from disclosure as if the controversy were the subject of a civil action in this state.

(f) All laws compelling a person under subpoena to testify and all fees for attending a judicial proceeding, a deposition, or a discovery proceeding as a witness apply to an arbitration proceeding as if the controversy were the subject of a civil action under the laws and rules of civil procedure of this state.

(g) The court may enforce a subpoena or discovery-related order for the attendance of a witness within this state and for the production of records and other evidence issued by an arbitrator in connection with an arbitration proceeding in another state upon conditions determined by the court in order to make the arbitration proceeding fair, expeditious, and cost-effective. A subpoena or discovery-related order issued by an arbitrator must be served in the manner provided by law for service of subpoenas in a civil action in this state and, upon motion to the court by a party to the arbitration proceeding or the arbitrator, enforced in the manner provided by law for enforcement of subpoenas in a civil action in this state.

Sec. 59. **REPEALER.**

Minnesota Statutes 2022, section 179A.12, subdivision 2, is repealed."

Delete the title and insert:

"A bill for an act relating to state government; modifying labor policy provisions; modifying building codes, occupational safety and health, and employment law; amending Minnesota Statutes 2022, sections 13.43, subdivision 6; 120A.414, subdivision 2; 122A.181, subdivision 5; 122A.26, subdivision 2; 122A.40, subdivision 5; 122A.41, subdivision 2; 177.27, subdivision 4; 177.42,

subdivision 2; 179A.03, subdivisions 14, 18, 19; 179A.06, subdivision 6; 179A.07, subdivisions 1, 6, by adding subdivisions; 179A.12, subdivisions 6, 11, by adding a subdivision; 181.03, subdivision 6; 181.06, subdivision 2; 181.172; 181.275, subdivision 1; 181.932, subdivision 1; 181.939; 181.940, subdivisions 2, 3; 181.941, subdivision 3; 181.9413; 181.942; 181.9436; 181.945, subdivision 3; 181.9456, subdivision 3; 181.956, subdivision 5; 181.964; 182.659, subdivisions 1, 8; 182.66, by adding a subdivision; 182.661, by adding a subdivision; 182.676; 326B.093, subdivision 4; 326B.106, by adding a subdivision; 326B.163, subdivision 5, by adding a subdivision; 326B.164, subdivision 13; 326B.31, subdivision 30; 326B.32, subdivision 1; 326B.36, subdivision 7, by adding a subdivision; 326B.805, subdivision 6; 326B.921, subdivision 8; 326B.925, subdivision 1; 326B.988; 572B.17; proposing coding for new law in Minnesota Statutes, chapters 16A; 181; 327; repealing Minnesota Statutes 2022, section 179A.12, subdivision 2."

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

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

S.F. No. 1405: A bill for an act relating to elections; increasing the maximum refund permitted by the political contribution refund program; amending Minnesota Statutes 2022, section 290.06, subdivision 23.

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

Senator Fateh from the Committee on Higher Education, to which was re-referred

S.F. No. 32: A bill for an act relating to unemployment insurance; modifying wage credits and providing reimbursement; authorizing transfers from the general fund; providing unemployment insurance aid; requiring a report; appropriating money; amending Minnesota Statutes 2022, sections 126C.43, subdivision 2; 127A.45, subdivision 12; 268.085, subdivision 7; 268.19, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 124D; 268; repealing Minnesota Statutes 2022, section 268.085, subdivision 8.

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

Page 3, line 17, delete everything after the period

Page 3, delete lines 18 to 20

Page 6, line 16, delete "reimbursement" and insert "unemployment insurance aid" and delete "subdivision 4"

Page 6, line 17, delete "reimbursement" and insert "unemployment insurance aid"

Page 6, line 21, delete "reimbursement" and insert "unemployment insurance aid" and delete "subdivision 2"

Page 6, line 23, delete "reimbursement" and insert "unemployment insurance aid" and delete "subdivision 3"

Page 7, delete section 6 and insert:

"Sec. 6. [268.193] POSTSECONDARY UNEMPLOYMENT INSURANCE AID.

Subdivision 1. Postsecondary institutions. For the purposes of this section, an eligible postsecondary institution means:

(1) the University of Minnesota;

(2) a postsecondary institution governed by the Board of Trustees of the Minnesota State Colleges and Universities; or

(3) a Tribal college, which means Leech Lake Tribal College, White Earth Tribal College, or Red Lake Nation Tribal College.

Subd. 2. Unemployment insurance aid. Eligible postsecondary institutions are eligible to receive unemployment insurance aid under this section. For each fiscal year, an eligible entity's aid is the difference between fiscal year 2022's unemployment insurance costs and the current year's unemployment insurance costs, as reflected in the Unemployment Insurance Employer Accounts maintained by the state. If the total eligible unemployment insurance aid for a fiscal year is greater than the annual appropriation for that year, the Board of Trustees of the Minnesota State Colleges and Universities or the commissioner of the Office of Higher Education, as applicable, must proportionately reduce the aid payment to each eligible entity.

EFFECTIVE DATE. This section is effective for aid beginning in fiscal year 2024."

Page 9, line 20, delete "REPORT" and insert "REPORTS"

Page 9, line 21, before "By" insert "(a)"

Page 9, line 23, delete everything after "legislature" and insert "the balances in unemployment insurance aid accounts and information about the annual changes in reimbursable costs for school workers receiving unemployment insurance benefits."

Page 9, line 24, delete everything before "To"

Page 9, line 25, delete "categorize eligible employees" and insert "break out the costs" and after "by" insert "district and" and delete "class" and insert "classes"

Page 9, after line 26, insert:

"(b) By January 15 of each year, the Board of Regents of the University of Minnesota, the Board of Trustees of the Minnesota State Colleges and Universities, and the Office of Higher Education, in consultation with the Department of Employment and Economic Development, must each report to the higher education committees of the legislature the balances in unemployment insurance aid accounts and information about the annual changes in reimbursable costs for higher education workers receiving unemployment insurance benefits. To the extent possible, the report must break out the costs by campus and major job classes. The report must be filed according to Minnesota Statutes, section 3.195."

Page 9, delete section 8 and insert:

"Sec. 8. APPROPRIATION; UNIVERSITY OF MINNESOTA.

\$366,000 in fiscal year 2024 and \$366,000 in fiscal year 2025 are appropriated from the general fund to the Board of Regents of the University of Minnesota for the purposes of unemployment insurance aid for the University of Minnesota under Minnesota Statutes, section 268.193.

Sec. 9. APPROPRIATION; MINNESOTA STATE COLLEGES AND UNIVERSITIES.

\$809,000 in fiscal year 2024 and \$809,000 in fiscal year 2025 are appropriated from the general fund to the Board of Trustees of the Minnesota State Colleges and Universities for the purposes of unemployment insurance aid to individual Minnesota State Colleges and Universities governed by the Board of Trustees under Minnesota Statutes, section 268.193.

Sec. 10. APPROPRIATION; OFFICE OF HIGHER EDUCATION.

\$495,000 in fiscal year 2024 and \$495,000 in fiscal year 2025 are appropriated from the general fund to the commissioner of the Office of Higher Education. Of this amount, \$471,000 is for the purposes of unemployment insurance aid to individual Tribal colleges under Minnesota Statutes, section 268.193, and \$24,000 is for administration of the unemployment insurance aid."

Page 10, line 15, delete "....." and insert "275,000"

Page 10, line 16, delete "200,000" and insert "175,000"

Page 10, line 17, delete "\$200,000" and insert "\$175,000"

Page 10, line 23, delete "161,755,000" and insert "135,199,000"

Page 11, lines 7 and 8, delete "217,000" and insert "321,000"

Page 11, line 9, delete "\$217,000" and insert "\$321,000"

Page 11, lines 16 and 17, delete "66,000" and insert "25,000"

Page 11, line 18, delete "\$66,000" and insert "\$25,000"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "a report" and insert "reports"

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

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

S.F. No. 2218: A bill for an act relating to agriculture; establishing the grain indemnity account; transferring money; amending Minnesota Statutes 2022, sections 223.16, by adding a subdivision; 223.17, subdivisions 6, 7, 7a; 223.175; 223.19; 232.22, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 223; repealing Minnesota Statutes 2022, sections 223.17, subdivisions 4, 8; 232.22, subdivisions 4, 6, 6a, 7.

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

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

S.F. No. 1424: A bill for an act relating to state government; repealing interagency transfer reports; repealing Minnesota Statutes 2022, section 15.0395.

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

Section 1. **[1.1471] STATE FIRE MUSEUM.**

The Bill and Bonnie Daniels Firefighters Hall and Museum in Minneapolis is designated as the official state fire museum.

Sec. 2. Minnesota Statutes 2022, 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 consulted with the chair and vice-chair of the commission.

Sec. 3. Minnesota Statutes 2022, section 3.855, subdivision 2, is amended to read:

Subd. 2. **Unrepresented state employee negotiations compensation.** ~~(a) The commissioner of management and budget shall regularly advise the commission on the progress of collective bargaining activities with state employees under the state Public Employment Labor Relations Act. During negotiations, the commission may make recommendations to the commissioner as it deems~~

~~appropriate but no recommendation shall impose any obligation or grant any right or privilege to the parties.~~

~~(b) (a) The commissioner of management and budget shall submit to the chair of the commission any negotiated collective bargaining agreements, arbitration awards, compensation plans, or salaries for legislative approval or disapproval. Negotiated agreements shall be submitted within five days of the date of approval by the commissioner or the date of approval by the affected state employees, whichever occurs later. Arbitration awards shall be submitted within five days of their receipt by the commissioner. prepared under section 43A.18, subdivisions 2, 3, 3b, and 4. The chancellor of the Minnesota State Colleges and Universities shall submit any compensation plan under section 43A.18, subdivision 3a. If the commission disapproves a collective bargaining agreement, award, compensation plan, or salary, the commission shall specify in writing to the parties those portions with which it disagrees and its reasons. If the commission approves a collective bargaining agreement, award, compensation plan, or salary, it shall submit the matter to the legislature to be accepted or rejected under this section.~~

~~(e) (b) When the legislature is not in session, the commission may give interim approval to a negotiated collective bargaining agreement, salary, or compensation plan, or arbitration award. When the legislature is not in session, failure of the commission to disapprove a collective bargaining agreement or arbitration award within 30 days constitutes approval. The commission shall submit the negotiated collective bargaining agreements, salaries, and compensation plans, or arbitration awards for which it has provided approval to the entire legislature for ratification at a special legislative session called to consider them or at its next regular legislative session as provided in this section. Approval or disapproval by the commission is not binding on the legislature.~~

~~(d) (c) When the legislature is not in session, the proposed collective bargaining agreement, arbitration decision, salary, or compensation plan must be implemented upon its approval by the commission, and state employees covered by the proposed agreement or arbitration decision plan or salary do not have the right to strike while the interim approval is in effect. Wages and economic fringe benefit increases provided for in the agreement or arbitration decision paid in accordance with the interim approval by the commission are not affected, but the wages or benefit increases must cease to be paid or provided effective upon the rejection of the agreement, arbitration decision, salary, or compensation plan, or upon adjournment of the legislature without acting on it.~~

Sec. 4. Minnesota Statutes 2022, section 3.855, subdivision 3, is amended to read:

Subd. 3. **Other salaries and compensation plans.** The commission shall ~~also~~:

(1) review and approve, reject, or modify a plan for compensation and terms and conditions of employment prepared and submitted by the commissioner of management and budget under section 43A.18, subdivision 2, covering all state employees who are not represented by an exclusive bargaining representative and whose compensation is not provided for by chapter 43A or other law;

(2) review and approve, reject, or modify a plan for total compensation and terms and conditions of employment for employees in positions identified as being managerial under section 43A.18, subdivision 3, whose salaries and benefits are not otherwise provided for in law or other plans established under chapter 43A;

(3) review and approve, reject, or modify recommendations for salaries submitted by the governor or other appointing authority under section 15A.0815, subdivision 5, covering agency head positions listed in section 15A.0815;

(4) review and approve, reject, or modify recommendations for salary range of officials of higher education systems under section 15A.081, subdivision 7c;

(5) review and approve, reject, or modify plans for compensation, terms, and conditions of employment proposed under section 43A.18, subdivisions 3a, 3b, and 4; and

(6) review and approve, reject, or modify the plan for compensation, terms, and conditions of employment of classified employees in the office of the legislative auditor under section 3.971, subdivision 2.

Sec. 5. Minnesota Statutes 2022, section 3.855, subdivision 5, is amended to read:

Subd. 5. Information required. The commissioner of management and budget must submit to the Legislative Coordinating Commission the following information with the submission of a ~~collective bargaining agreement or compensation plan under subdivisions~~ subdivision 2 and 3:

(1) for each agency and for each proposed ~~agreement or plan~~, a comparison of biennial compensation costs under the current ~~agreement or plan~~ to the projected biennial compensation costs under the proposed ~~agreement or plan~~, paid with funds appropriated from the general fund;

(2) for each agency and for each proposed ~~agreement or plan~~, a comparison of biennial compensation costs under the current ~~agreement or plan~~ to the projected biennial compensation costs under the proposed ~~agreement or plan~~, paid with funds appropriated from each fund other than the general fund;

(3) for each agency and for each proposed ~~agreement or plan~~, an identification of the amount of the additional biennial compensation costs that are attributable to salary and wages and to the cost of nonsalary and nonwage benefits; and

(4) for each agency, for clauses (1) to (3), the impact of the aggregate of all ~~agreements and plans~~ being submitted to the commission.

Sec. 6. Minnesota Statutes 2022, section 3.888, is amended by adding a subdivision to read:

Subd. 1a. Definition. (a) For purposes of this section, the following term has the meaning given.

(b) "Security records" means data, documents, recordings, or similar that:

(1) were originally collected, created, received, maintained, or disseminated by a member of the commission during a closed meeting or a closed portion of a meeting; and

(2) are security information as defined by section 13.37, subdivision 1, or otherwise pertain to cybersecurity briefings and reports; issues related to cybersecurity systems; or deficiencies in or recommendations regarding cybersecurity services, infrastructure, and facilities, if disclosure of the records would pose a danger to or compromise cybersecurity infrastructure, facilities, procedures, or responses.

Sec. 7. Minnesota Statutes 2022, section 3.888, subdivision 5, is amended to read:

Subd. 5. **Meetings.** The commission must meet at least three times per calendar year. The meetings of the commission are subject to section 3.055, except that the commission may close a meeting when necessary to safeguard the state's cybersecurity. ~~The minutes, recordings, and documents from a closed meeting under this subdivision~~ Security records shall be maintained by the Legislative Coordinating Commission and shall not be made available to the public until at least eight years but no more than 20 years after the date of the closed meeting.

Sec. 8. Minnesota Statutes 2022, section 3.888, is amended by adding a subdivision to read:

Subd. 5a. **Closed meetings procedures.** The commission must adopt procedures for conducting closed meetings before the commission's first closed meeting. At a minimum, the procedures must include:

(1) a requirement to provide notice to the public, when practicable, before each closed meeting of the commission's intent and authority to hold a closed meeting or to hold a closed session during an otherwise open meeting;

(2) a requirement that the commission minimize the number of people present at a closed meeting to those necessary to conduct the meeting;

(3) a requirement that votes shall not be taken during a closed meeting or a closed portion of a meeting pursuant to this section;

(4) steps the commission must take if a commission member is alleged to have violated the confidentiality of a closed meeting; and

(5) guidance for the Legislative Coordinating Commission for the public release of security records following the eight year record requirement in subdivision 5. The meetings of the Legislative Coordinating Commission under this subdivision are exempt from section 3.055 when necessary to safeguard the confidentiality of security records.

Sec. 9. Minnesota Statutes 2022, section 3.888, is amended by adding a subdivision to read:

Subd. 5b. **Alleged member closed meeting confidentiality violations.** Notwithstanding any law to the contrary, if a complaint alleging a member violated the confidentiality of a closed meeting is brought to a legislative committee with jurisdiction over ethical conduct, the committee with jurisdiction over ethical conduct must preserve the confidentiality of the closed meeting at issue.

Sec. 10. Minnesota Statutes 2022, section 3.97, subdivision 2, is amended to read:

Subd. 2. **Membership; terms; meetings; compensation; powers.** The Legislative Audit Commission consists of:

(1) three members of the senate appointed by the ~~Subcommittee on Committees of the Committee on Rules and Administration of the senate~~ majority leader;

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

(3) three members of the house of representatives appointed by the speaker of the house; and

(4) three members of the house of representatives appointed by the house of representatives minority leader.

Members shall serve until replaced, or until they are not members of the legislative body from which they were appointed. Appointing authorities shall fill vacancies on the commission within 30 days of a vacancy being created.

The commission shall meet in January of each odd-numbered year to elect its chair and vice-chair. They shall serve until successors are elected. The chair and vice-chair shall alternate biennially between the senate and the house of representatives, and shall be of different political parties. The commission shall meet at the call of the chair. The members shall serve without compensation but be reimbursed for their reasonable expenses as members of the legislature. The commission may exercise the powers prescribed by section 3.153.

Sec. 11. Minnesota Statutes 2022, section 3.972, subdivision 3, is amended to read:

Subd. 3. **Audit contracts.** ~~Notwithstanding any other law, A state department, board, commission, or other state agency shall not negotiate a contract~~ contracting with a public accountant for an audit, except a contract negotiated by the state auditor for an audit of a local government, ~~unless the contract has been reviewed by the legislative auditor. The legislative auditor shall not participate in the selection of the public accountant but shall review and submit written comments on the proposed contract within seven days of its receipt. Upon completion of the audit, the legislative auditor shall be given~~ must provide the legislative auditor with a copy of the final report of the audit upon completion of the audit.

Sec. 12. Minnesota Statutes 2022, section 3.978, subdivision 2, is amended to read:

Subd. 2. **Inquiry and inspection power; duty to aid legislative auditor.** All public officials and their deputies and employees, and all corporations, firms, and individuals having business involving the receipt, disbursement, or custody of public funds shall at all times: (1) afford reasonable facilities for examinations by the legislative auditor; (2) ~~make~~ provide returns and reports required by the legislative auditor; (3) attend and answer under oath the legislative auditor's lawful inquiries; (4) produce and exhibit all books, accounts, documents, data of any classification, and property that the legislative auditor requests to inspect; and (5) in all things cooperate with the legislative auditor.

Sec. 13. Minnesota Statutes 2022, section 3.979, subdivision 2, is amended to read:

Subd. 2. **Access to data by commission members.** Members of the commission have access to not public data that is collected or used by the legislative auditor ~~and classified as not public or as private or confidential~~ only as authorized by resolution of the commission. The commission may not authorize its members to have access to private or confidential data on individuals collected or used in connection with the collection of any tax.

Sec. 14. Minnesota Statutes 2022, section 3.979, subdivision 3, is amended to read:

Subd. 3. **Audit data.** (a) "Audit" as used in this subdivision means a financial audit, program evaluation, special review, ~~or~~ investigation, or assessment of an allegation or report submitted to

the legislative auditor. Notwithstanding any other law, data relating to an audit are not public or with respect to data on individuals are confidential or protected nonpublic until the final report of the audit has been released by the legislative auditor or the audit is no longer being actively pursued. Upon release of a final audit report by the legislative auditor, data relating to an audit are public except data otherwise classified as not public. Unless the data are subject to a more restrictive classification by another law, upon the legislative auditor's decision to no longer actively pursue an audit without the release of a final audit report, data relating to an audit are private or nonpublic.

(b) Data related to an audit but not published in the audit report and that the legislative auditor reasonably believes will be used in litigation are not public and with respect to data on individuals are confidential or protected nonpublic until the litigation has been completed or is no longer being actively pursued.

(c) Data that could reasonably be used to determine the identity of an individual or entity supplying data for an audit are private or nonpublic if the data supplied by the individual were needed for an audit and the individual would not have been provided the data to the legislative auditor without an assurance that the individual's identity of the individual or entity would remain private or nonpublic, or the legislative auditor reasonably believes that the subject data would not have been provided the data.

(d) The definitions of terms provided in section 13.02 apply for purposes of this subdivision. Data related to an audit that were obtained from a nongovernmental entity have the classification that the data would have if obtained from the government entity for which the data were created, collected, or maintained by the nongovernmental entity.

(e) The legislative auditor may disseminate data of any classification to:

(1) a government entity, other than a law enforcement agency or prosecuting authority, if the dissemination of the data aids a pending audit; or

(2) a law enforcement agency or prosecuting authority if there is reason to believe that the data are evidence of criminal activity within the agency's or authority's jurisdiction.

Notwithstanding the classification of data as confidential or protected nonpublic, an individual or entity who supplies information for an audit may authorize the legislative auditor to release data that would identify the individual or entity for the purpose of conducting the audit. Data disseminated pursuant to this paragraph are subject to section 13.03, subdivision 4, paragraph (c).

Sec. 15. Minnesota Statutes 2022, section 3.979, is amended by adding a subdivision to read:

Subd. 6. **Definitions.** The definitions of terms provided in section 13.02 apply for purposes of this section.

Sec. 16. Minnesota Statutes 2022, section 9.031, subdivision 3, is amended to read:

Subd. 3. **Collateral.** (a) In lieu of the corporate bond required in subdivision 2, a depository may deposit with the commissioner of management and budget collateral to secure state funds that are to be deposited with it. The Executive Council must approve the collateral.

(b) The Executive Council shall not approve any collateral except:

~~(1) bonds and certificates of indebtedness, other than bonds secured by real estate, that are legal investments for savings banks under any law of the state; and~~

~~(2) bonds of any insular possession of the United States, of any state, or of any agency of this state, the payment of the principal and interest of which is provided for by other than direct taxation.~~

(1) United States government treasury bills, treasury notes, and treasury bonds;

(2) issues of United States government agencies and instrumentalities, as quoted by a recognized industry quotation service available to the state;

(3) general obligation securities of any state other than the state and its agencies or local government with taxing powers that is rated "A" or better by a national bond rating service, or revenue obligation securities of any state other than the state and its agencies or local government with taxing powers which is rated "AA" or better by a national bond rating service;

(4) irrevocable standby letters of credit issued by Federal Home Loan Banks to the state accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and

(5) time deposits that are fully insured by any federal agency.

(c) The collateral deposited shall be accompanied by an assignment thereof to the state, which assignment shall recite that:

(1) the depository will pay all the state funds deposited with it to the commissioner of management and budget, free of exchange or other charge, at any place in this state designated by the commissioner of management and budget; if the deposit is a time deposit it shall be paid, together with interest, only when due; and

(2) in case of default by the depository the state may sell the collateral, or as much of it as is necessary to realize the full amount due from the depository, and pay any surplus to the depository or its assigns.

(d) Upon the direction of the Executive Council, the commissioner of management and budget, on behalf of the state, may reassign in writing to the depository any registered collateral pledged to the state by assignment thereon.

(e) A depository may deposit collateral of less value than the total designation and may, at any time during the period of its designation, deposit additional collateral, withdraw excess collateral, and substitute other collateral for all or part of that on deposit. Approval of the Executive Council is not necessary for the withdrawal of excess collateral.

(f) If the depository is not in default the commissioner of management and budget shall pay the interest collected on the deposited collateral to the depository.

(g) In lieu of depositing collateral with the commissioner of management and budget, collateral may also be placed in safekeeping in a restricted account at a Federal Reserve bank, or in an account

at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection shall be approved by the commissioner.

Sec. 17. Minnesota Statutes 2022, section 13.04, subdivision 4, is amended to read:

Subd. 4. **Procedure when data is not accurate or complete.** (a) An individual subject of the data may contest the accuracy or completeness of public or private data about themselves.

(b) To exercise this right, an individual shall notify in writing the responsible authority of the government entity that maintains the data, describing the nature of the disagreement.

(c) Upon receiving notification from the data subject, the responsible authority shall within 30 days either:

(1) correct the data found to be inaccurate or incomplete and attempt to notify past recipients of inaccurate or incomplete data, including recipients named by the individual; or

(2) notify the individual that the responsible authority believes has determined the data to be correct. If the challenged data are determined to be accurate or complete, the responsible authority shall inform the individual of the right to appeal the determination to the commissioner as specified under paragraph (d). Data in dispute shall be disclosed only if the individual's statement of disagreement is included with the disclosed data.

(d) A data subject may appeal the determination of the responsible authority ~~may be appealed~~ pursuant to the provisions of the Administrative Procedure Act relating to contested cases. An individual must submit an appeal to the commissioner within 60 days of the responsible authority's notice of the right to appeal or as otherwise provided by the rules of the commissioner. Upon receipt of an appeal by an individual, the commissioner shall, before issuing the order and notice of a contested case hearing required by chapter 14, try to resolve the dispute through education, conference, conciliation, or persuasion. If the parties consent, the commissioner may refer the matter to mediation. Following these efforts, the commissioner shall dismiss the appeal or issue the order and notice of hearing.

(e) The commissioner may dismiss an appeal without first attempting to resolve the dispute or before issuing an order and notice of a contested case hearing if:

(1) the appeal to the commissioner is not timely;

(2) the appeal concerns data previously presented as evidence in a court proceeding in which the data subject was a party; or

(3) the individual making the appeal is not the subject of the data challenged as inaccurate or incomplete.

~~(b)~~ (f) Data on individuals that have been successfully challenged by an individual must be completed, corrected, or destroyed by a government entity without regard to the requirements of section 138.17.

(g) After completing, correcting, or destroying successfully challenged data, a government entity may retain a copy of the commissioner of administration's order issued under chapter 14 or, if no order were issued, a summary of the dispute between the parties that does not contain any particulars of the successfully challenged data.

Sec. 18. Minnesota Statutes 2022, section 15.066, is amended by adding a subdivision to read:

Subd. 3. **Advice and consent time limit.** If the senate does not reject an appointment within 60 legislative days of the day of receipt of the letter of appointment by the president of the senate, the senate has consented to the appointment.

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

Sec. 19. Minnesota Statutes 2022, 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. 20. Minnesota Statutes 2022, section 15A.0825, subdivision 2, is amended to read:

Subd. 2. ~~Initial appointment~~ **Appointments; 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. Appointing

authorities who determine that a vacancy exists under subdivision 3, paragraph (b), must make an appointment to fill that vacancy by January 15 in each odd-numbered year. The governor shall designate one member to convene and chair the first meeting of the council which must occur by February 15 of each odd-numbered year. ~~The first meeting must be before January 15, 2017.~~ 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. 21. Minnesota Statutes 2022, 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.

Sec. 22. Minnesota Statutes 2022, section 15A.0825, subdivision 4, is amended to read:

Subd. 4. **Appointments following redistricting.** Appointing authorities shall make appointments ~~within three months~~ after a congressional redistricting plan is adopted. Appointing authorities shall make appointments in accordance with the timing requirements in subdivision 2. Members that reside in an even-numbered district shall be appointed to a term of two years following redistricting. Members that reside in an odd-numbered district shall be appointed to a term of four years following redistricting.

Sec. 23. Minnesota Statutes 2022, section 16B.32, subdivision 1, is amended to read:

Subdivision 1. **Alternative energy sources.** ~~Plans prepared by the commissioner for a new building or for a renovation of 50 percent or more of an existing building or its energy systems must include designs which use active and passive solar energy systems, earth sheltered construction, and other alternative energy sources where feasible.~~ (a) If the incorporation of cost-effective energy efficiency measures into the design, materials, and operations of a building or major building renovation subject to section 16B.325 is not sufficient to meet Sustainable Building 2030 energy performance standards required under section 216B.241, subdivision 9, cost-effective renewable energy sources or solar thermal energy systems, or both, must be deployed to achieve those standards.

(b) The commissioners of administration and commerce shall review compliance of building designs and plans subject to this section with Sustainable Building 2030 performance standards developed under section 216B.241, subdivision 9, and shall make recommendations to the legislature as necessary to ensure that those performance standards are met.

(c) For the purposes of this section:

(1) "energy efficiency" has the meaning given in section 216B.2402, subdivision 7;

(2) "renewable energy" has the meaning given in section 216B.2422, subdivision 1, paragraph (c), and includes hydrogen generated from wind, solar, or hydroelectric; and

(3) "solar thermal energy systems" has the meaning given to "qualifying solar thermal project" in section 216B.2411, subdivision 2, paragraph (e).

Sec. 24. Minnesota Statutes 2022, 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. The total aggregate nameplate capacity of all renewable energy sources utilized to meet Sustainable Building 2030 standards in a state-owned building or facility, including any subscription to a community solar garden under section 216B.1641, may not exceed 120 percent of the average annual electric energy consumption of the state-owned building or facility.~~

Sec. 25. **[16B.361] OFFICE OF COLLABORATION AND DISPUTE RESOLUTION.**

Subdivision 1. **Duties of the office.** The commissioner of administration shall maintain the Office of Collaboration and Dispute Resolution within the Department of Administration. The office must:

(1) assist state agencies; offices of the executive, legislative, and judicial branches; Tribal governments; and units of local government in improving collaboration, dispute resolution, and public engagement;

(2) promote and utilize collaborative dispute resolution models and processes based on documented best practices to foster trust, relationships, mutual understanding, consensus-based resolutions, and wise and durable solutions, including but not limited to:

(i) using established criteria and procedures for identifying and assessing collaborative dispute resolution projects;

(ii) designing collaborative dispute resolution processes;

(iii) preparing and training participants; and

(iv) facilitating meetings and group processes using collaborative techniques and approaches;

(3) support collaboration and dispute resolution in the public and private sectors by providing technical assistance and information on best practices and new developments in dispute resolution fields;

(4) build capacity and educate the public and government entities on collaboration, dispute resolution approaches, and public engagement;

(5) promote the broad use of community mediation in the state; and

(6) ensure that all areas of the state have access to services by providing grants to private nonprofit entities certified by the state court administrator under chapter 494 that assist in resolution of disputes.

Subd. 2. **Awarding grants to assist in resolution of disputes.** (a) The commissioner shall, to the extent funds are appropriated for this purpose, make grants to private nonprofit community mediation entities certified by the state court administrator under chapter 494 that assist in resolution of disputes under subdivision 1, clause (6). The commissioner shall establish a grant review committee to assist in the review of grant applications and the allocation of grants under this section.

(b) To be eligible for a grant under this section, a nonprofit organization must meet the requirements of section 494.05, subdivision 1, clauses (1), (2), (4), and (5).

(c) A nonprofit entity receiving a grant must agree to comply with guidelines adopted by the state court administrator under section 494.015, subdivision 1. Policies adopted under sections 16B.97 and 16B.98 apply to grants under this section. The exclusions in section 494.03 apply to grants under this section.

(d) Grantees must report data required under chapter 494 to evaluate quality and outcomes.

Subd. 3. **Accepting funds.** The commissioner may apply for and receive money made available from federal, state, or other sources to carry out the duties of the Office of Collaboration and Dispute Resolution. Funds received under this subdivision are appropriated to the commissioner for their intended purpose.

Sec. 26. **[16B.372] ENVIRONMENTAL SUSTAINABILITY GOVERNMENT OPERATIONS.**

Subdivision 1. **Enterprise sustainability.** The Office of Enterprise Sustainability is established to assist all state agencies in making measurable progress toward improving the sustainability of government operations by reducing the impact on the environment, controlling unnecessary waste of natural resources and public funds, and spurring innovation. The office shall create new tools and share best practices, assist state agencies to plan for and implement improvements, and monitor progress toward achieving intended outcomes. Specific duties include but are not limited to:

(1) managing a sustainability metrics and reporting system, including a public dashboard that allows Minnesotans to track progress and is updated annually;

(2) assisting agencies in developing and executing sustainability plans; and

(3) implementing the state building energy conservation improvement revolving loan program in sections 16B.86 and 16B.87.

Subd. 2. **State agency responsibilities.** Each department of the state, as defined in section 15.01, and the Metropolitan Council are each required to participate in the sustainability effort by developing a sustainability plan and by making measurable progress toward improving associated sustainability outcomes. State agencies and boards that are not departments or the Metropolitan Council shall take steps toward improving sustainability outcomes but are not required to participate at the level of departments.

Subd. 3. **Local governments.** The Office of Enterprise Sustainability shall make reasonable attempts to share tools and best practices with local governments.

Sec. 27. Minnesota Statutes 2022, section 16B.58, is amended by adding a subdivision to read:

Subd. 9. **Electric vehicle charging.** The commissioner shall require that a user of a charging station located on the State Capitol complex used to charge an electric vehicle pay a service fee as determined by the commissioner.

Sec. 28. Minnesota Statutes 2022, section 16B.87, subdivision 2, is amended to read:

Subd. 2. **Award and terms of loans.** (a) An agency shall apply for a loan on a form developed by the commissioner of administration that requires an applicant to submit the following information:

(1) a description of the proposed project, including existing equipment, structural elements, operating characteristics, and other conditions affecting energy use that the energy conservation improvements financed by the loan modify or replace;

(2) the total estimated project cost and the loan amount sought;

(3) a detailed project budget;

(4) projections of the proposed project's expected energy and monetary savings;

(5) information demonstrating the agency's ability to repay the loan;

(6) a description of the energy conservation programs offered by the utility providing service to the state building from which the applicant seeks additional funding for the project; and

(7) any additional information requested by the commissioner.

(b) The committee shall review applications for loans and shall award a loan based upon criteria adopted by the committee. A loan made under this section must:

(1) be at or below the market rate of interest, including a zero interest loan; and

(2) have a term no longer than ~~seven~~ ten years.

(c) In making awards, the committee shall give preference to:

(1) applicants that have sought funding for the project through energy conservation projects offered by the utility serving the state building that is the subject of the application; and

(2) to the extent feasible, applications for state buildings located within the electric retail service area of the utility that is subject to section 116C.779.

Sec. 29. Minnesota Statutes 2022, section 16C.16, subdivision 6, is amended to read:

Subd. 6. **Purchasing methods.** (a) The commissioner may award up to a ~~six~~ 12 percent preference for specified goods or services to small targeted group businesses.

(b) The commissioner may award a contract for goods, services, or construction directly to a small business or small targeted group business without going through a competitive solicitation process up to a total contract award value, including extension options, of ~~\$25,000~~ \$100,000.

(c) The commissioner may designate a purchase of goods or services for award only to small businesses or small targeted group businesses if the commissioner determines that at least three small businesses or small targeted group businesses are likely to respond to a solicitation.

(d) The commissioner, as a condition of awarding a construction contract or approving a contract for professional or technical services, may set goals that require the prime contractor to subcontract a portion of the contract to small businesses or small targeted group businesses. The commissioner must establish a procedure for granting waivers from the subcontracting requirement when qualified small businesses or small targeted group businesses are not reasonably available. The commissioner may establish financial incentives for prime contractors who exceed the goals for use of small business or small targeted group business subcontractors and financial penalties for prime contractors who fail to meet goals under this paragraph. The subcontracting requirements of this paragraph do not apply to prime contractors who are small businesses or small targeted group businesses.

Sec. 30. Minnesota Statutes 2022, section 16C.16, subdivision 6a, is amended to read:

Subd. 6a. **Veteran-owned small businesses.** (a) Except when mandated by the federal government as a condition of receiving federal funds, the commissioner shall award up to a ~~six~~ 12 percent preference, but no less than the percentage awarded to any other group under this section, on state procurement to certified small businesses that are majority-owned and operated by veterans.

(b) The commissioner may award a contract for goods, services, or construction directly to a veteran-owned small business without going through a competitive solicitation process up to a total contract award value, including extension options, of ~~\$25,000~~ \$100,000.

(c) The commissioner may designate a purchase of goods or services for award only to a veteran-owned small business if the commissioner determines that at least three veteran-owned small businesses are likely to respond to a solicitation.

(d) The commissioner, as a condition of awarding a construction contract or approving a contract for professional or technical services, may set goals that require the prime contractor to subcontract a portion of the contract to a veteran-owned small business. The commissioner must establish a procedure for granting waivers from the subcontracting requirement when qualified veteran-owned small businesses are not reasonably available. The commissioner may establish financial incentives for prime contractors who exceed the goals for use of veteran-owned small business subcontractors and financial penalties for prime contractors who fail to meet goals under this paragraph. The

subcontracting requirements of this paragraph do not apply to prime contractors who are veteran-owned small businesses.

(e) The purpose of this designation is to facilitate the transition of veterans from military to civilian life, and to help compensate veterans for their sacrifices, including but not limited to their sacrifice of health and time, to the state and nation during their military service, as well as to enhance economic development within Minnesota.

(f) Before the commissioner certifies that a small business is majority-owned and operated by a veteran, the commissioner of veterans affairs must verify that the owner of the small business is a veteran, as defined in section 197.447.

Sec. 31. Minnesota Statutes 2022, section 16C.16, subdivision 7, is amended to read:

Subd. 7. **Economically disadvantaged areas.** (a) The commissioner may award up to a ~~six~~ 12 percent preference on state procurement to small businesses located in an economically disadvantaged area.

(b) The commissioner may award a contract for goods, services, or construction directly to a small business located in an economically disadvantaged area without going through a competitive solicitation process up to a total contract award value, including extension options, of ~~\$25,000~~ \$100,000.

(c) The commissioner may designate a purchase of goods or services for award only to a small business located in an economically disadvantaged area if the commissioner determines that at least three small businesses located in an economically disadvantaged area are likely to respond to a solicitation.

(d) The commissioner, as a condition of awarding a construction contract or approving a contract for professional or technical services, may set goals that require the prime contractor to subcontract a portion of the contract to a small business located in an economically disadvantaged area. The commissioner must establish a procedure for granting waivers from the subcontracting requirement when qualified small businesses located in an economically disadvantaged area are not reasonably available. The commissioner may establish financial incentives for prime contractors who exceed the goals for use of subcontractors that are small businesses located in an economically disadvantaged area and financial penalties for prime contractors who fail to meet goals under this paragraph. The subcontracting requirements of this paragraph do not apply to prime contractors who are small businesses located in an economically disadvantaged area.

(e) A business is located in an economically disadvantaged area if:

(1) the owner resides in or the business is located in a county in which the median income for married couples is less than 70 percent of the state median income for married couples;

(2) the owner resides in or the business is located in an area designated a labor surplus area by the United States Department of Labor; or

(3) the business is a certified rehabilitation facility or extended employment provider as described in chapter 268A.

(f) The commissioner may designate one or more areas designated as targeted neighborhoods under section 469.202 or as border city enterprise zones under section 469.166 as economically disadvantaged areas for purposes of this subdivision if the commissioner determines that this designation would further the purposes of this section. If the owner of a small business resides or is employed in a designated area, the small business is eligible for any preference provided under this subdivision.

(g) The Department of Revenue shall gather data necessary to make the determinations required by paragraph (e), clause (1), and shall annually certify counties that qualify under paragraph (e), clause (1). An area designated a labor surplus area retains that status for 120 days after certified small businesses in the area are notified of the termination of the designation by the United States Department of Labor.

Sec. 32. Minnesota Statutes 2022, section 16C.19, is amended to read:

16C.19 ELIGIBILITY; RULES.

(a) A small business wishing to participate in the programs under section 16C.16, subdivisions 4 to 7, must be certified by the commissioner or, if authorized by the commissioner, by a nationally recognized certifying organization. The commissioner may choose to authorize a nationally recognized certifying organization if the certification requirements are substantially the same as those adopted under the rules authorized in this section and the business meets the requirements in section 16C.16, subdivision 2.

(b) The commissioner shall adopt by rule standards and procedures for certifying that small targeted group businesses, small businesses located in economically disadvantaged areas, and veteran-owned small businesses are eligible to participate under the requirements of sections 16C.16 to 16C.21. The commissioner shall adopt by rule standards and procedures for hearing appeals and grievances and other rules necessary to carry out the duties set forth in sections 16C.16 to 16C.21.

~~(b)~~ (c) The commissioner may make rules which exclude or limit the participation of nonmanufacturing business, including third-party lessors, brokers, franchises, jobbers, manufacturers' representatives, and others from eligibility under sections 16C.16 to 16C.21.

~~(c)~~ (d) The commissioner may make rules that set time limits and other eligibility limits on business participation in programs under sections 16C.16 to 16C.21.

~~(d)~~ (e) Notwithstanding paragraph (a), for purposes of sections 16C.16 to 16C.21, a veteran-owned small business, the principal place of business of which is in Minnesota, is certified if:

(1) it has been verified by the United States Department of Veterans Affairs as being either a veteran-owned small business or a service-disabled veteran-owned small business, in accordance with Public Law 109-461 and Code of Federal Regulations, title 38, part 74; or

(2) the veteran-owned small business supplies the commissioner with proof that the small business is majority-owned and operated by:

(i) a veteran as defined in section 197.447; or

(ii) a veteran with a service-connected disability, as determined at any time by the United States Department of Veterans Affairs.

~~(e)~~ (f) Until rules are adopted pursuant to paragraph (a) for the purpose of certifying veteran-owned small businesses, the provisions of Minnesota Rules, part 1230.1700, may be read to include veteran-owned small businesses. In addition to the documentation required in Minnesota Rules, part 1230.1700, the veteran owner must have been discharged under honorable conditions from active service, as indicated by the veteran owner's most current United States Department of Defense form DD-214.

~~(f)~~ (g) Notwithstanding paragraph (a), for purposes of sections 16C.16 to 16C.21, a minority- or woman-owned small business, the principal place of business of which is in Minnesota, is certified if it has been certified by the Minnesota unified certification program under the provisions of Code of Federal Regulations, title 49, part 26, and a Tribal-owned small business, the principal place of business of which is in Minnesota, is certified if it has been certified by the Small Business Administration (SBA) 8(a) program under the provisions of Code of Federal Regulations, title 13, part 124.

~~(g)~~ (h) The commissioner may adopt rules to implement the programs under section 16C.16, subdivisions 4 to 7, using the expedited rulemaking process in section 14.389.

Sec. 33. Minnesota Statutes 2022, section 16C.36, is amended to read:

16C.36 REORGANIZATION SERVICES UNDER MASTER CONTRACT.

The commissioner of administration must make available under a master contract program a list of eligible contractors who can assist state agencies in using data analytics to:

(1) accomplish agency reorganization along service rather than functional lines in order to provide more efficient and effective service; and

(2) bring about internal reorganization of management functions in order to flatten the organizational structure by requiring that decisions are made closer to the service needed, eliminating redundancies, and optimizing the span of control ratios to public and private sector industry benchmarks.

~~The commissioner of administration must report to the legislature by January 15, 2013, and January 15, 2014, on state agency use of eligible contractors under this section, and on improvements in efficiency and effectiveness, including the contract oversight process, of state services as a result of services provided by contractors.~~

Sec. 34. Minnesota Statutes 2022, section 43A.06, subdivision 1, is amended to read:

Subdivision 1. **General.** (a) The commissioner shall perform the duties assigned to the commissioner by sections 3.855, 179A.01 to 179A.25 and this section.

(b) The commissioner shall be the state labor negotiator for purposes of negotiating and administering agreements with exclusive representatives of employees and shall perform any other duties delegated by the commissioner subject to the limitations in paragraph (c).

(c) The Board of Trustees of the Minnesota State Colleges and Universities may exercise the powers under this section for employees included in the units provided in clauses (9), (10), and (11) of section 179A.10, subdivision 2, except with respect to sections 43A.22 to 43A.31, which shall continue to be the responsibility of the commissioner. The commissioner shall have the right to review and comment to the Minnesota State Colleges and Universities on the board's final proposals prior to exchange of final positions with the designated bargaining units as well as any requests for interest arbitration. The legislature encourages the Board of Trustees, in coordination with the commissioner of management and budget and the Board of Regents of the University of Minnesota, to endeavor in collective bargaining negotiations to seek fiscal balance recognizing the ability of the employer to fund the agreements or awards. ~~When submitting a proposed collective bargaining agreement to the Legislative Coordinating Commission and the legislature under section 3.855, subdivision 2, the Board of Trustees must use procedures and assumptions consistent with those used by the commissioner in calculating the costs of the proposed contract. The Legislative Coordinating Commission must, when considering a collective bargaining agreement or arbitration award submitted by the Board of Trustees, evaluate market conditions affecting the employees in the bargaining unit, equity with other bargaining units in the executive branch, and the ability of the trustees and the state to fund the agreement or award.~~

Sec. 35. Minnesota Statutes 2022, section 43A.18, subdivision 1, is amended to read:

Subdivision 1. **Collective bargaining agreements.** Except as provided in section 43A.01 and to the extent they are covered by a collective bargaining agreement, the compensation, terms and conditions of employment for all employees represented by an exclusive representative certified pursuant to chapter 179A shall be governed solely by the collective bargaining agreement executed by the parties ~~and approved by the legislature.~~

Sec. 36. Minnesota Statutes 2022, section 43A.18, subdivision 9, is amended to read:

Subd. 9. **Summary information on website.** Before the commissioner submits a proposed ~~collective bargaining agreement, arbitration award, or~~ compensation plan to the Legislative Coordinating Commission for review under section 3.855, the commissioner must post on a state website a summary of the ~~proposed agreement, award, or~~ plan. The summary must include the amount of and nature of proposed changes in employee compensation, the estimated cost to the state of proposed changes in employee compensation, and a description of proposed significant changes in policy. After approval of ~~an agreement, award, or~~ a plan by the Legislative Coordinating Commission, the commissioner must provide a link from the commissioner's summary to the full text of the ~~agreement, award, or~~ plan. The summary must remain on the website at least until the full legislature has approved the ~~agreement, award, or~~ plan. This section also applies to ~~agreements, awards, and~~ plans covering employees of the Minnesota State Colleges and Universities and to compensation plans that must be submitted to the Legislative Coordinating Commission by other executive appointing authorities. The Minnesota State Colleges and Universities and other executive appointing authorities must submit information to the commissioner, at a time and in a manner specified by the commissioner, so the commissioner can post information relating to these appointing authorities on the web as required by this section.

EFFECTIVE DATE. This section is effective July 1, 2023, for negotiated agreements and arbitration decisions effective after July 1, 2023.

Sec. 37. Minnesota Statutes 2022, section 137.0245, subdivision 2, is amended to read:

Subd. 2. **Membership.** The Regent Candidate Advisory Council shall consist of 24 members. Twelve members shall be appointed by the ~~Subcommittee on Committees of the Committee on Rules and Administration~~ majority leader of the senate. Twelve members shall be appointed by the speaker of the house. Each appointing authority must appoint one member who is a student enrolled in a degree program at the University of Minnesota at the time of appointment. No more than one-third of the members appointed by each appointing authority may be current or former legislators. No more than two-thirds of the members appointed by each appointing authority may belong to the same political party; however, political activity or affiliation is not required for the appointment of any member. Geographical representation must be taken into consideration when making appointments. Section 15.0575 shall govern the advisory council, except that:

(1) the members shall be appointed to six-year terms with one-third appointed each even-numbered year; and

(2) student members are appointed to two-year terms with two students appointed each even-numbered year.

A member may not serve more than two full terms.

Sec. 38. Minnesota Statutes 2022, section 137.0245, is amended by adding a subdivision to read:

Subd. 6. **Public meetings.** Meetings of the council or subcommittees of the council must be open to the public and are subject to section 3.055.

Sec. 39. Minnesota Statutes 2022, section 138.081, subdivision 3, is amended to read:

Subd. 3. **Administration of federal act.** The ~~Department of Administration~~ Minnesota Historical Society is designated as the state agency to administer the provisions of the federal act providing for the preservation of historical and archaeological data, United States Code, title ~~46~~ 54, ~~sections 469 to 469C~~ section 312501, as amended, insofar as the provisions of the act provide for implementation by the state.

Sec. 40. Minnesota Statutes 2022, section 138.665, subdivision 2, is amended to read:

Subd. 2. **Mediation Consultation.** The state, state departments, agencies, and political subdivisions, including the Board of Regents of the University of Minnesota, have a responsibility to protect the physical features and historic character of properties designated in sections 138.662 and 138.664 or listed on the National Register of Historic Places created by Public Law 89-665. Before carrying out any undertaking that will affect designated or listed properties, or funding or licensing an undertaking by other parties, the state department or agency shall consult with the State Historic Preservation Office pursuant to ~~the society's~~ the State Historic Preservation Office's established procedures to determine appropriate treatments and to seek ways to avoid and mitigate any adverse effects on designated or listed properties. If the state department or agency and the State Historic Preservation Office agree in writing on a suitable course of action, the project may proceed. If the parties cannot agree, any one of the parties may request that the governor appoint and convene a mediation task force consisting of five members, two appointed by the governor, the chair of the

State Review Board of the State Historic Preservation Office, the commissioner of administration or the commissioner's designee, and one member ~~who is not an employee of the Minnesota Historical Society~~ appointed by the director of the Minnesota Historical Society. The two appointees of the governor and ~~the one~~ of the director of the society shall be qualified by training or experience in one or more of the following disciplines: (1) history; (2) archaeology; and (3) architectural history. The mediation task force is not subject to the conditions of section 15.059. This subdivision does not apply to section 138.662, subdivision 24, and section 138.664, subdivisions 8 and 111.

Sec. 41. Minnesota Statutes 2022, section 138.912, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The healthy eating, here at home program is established to provide incentives for low-income Minnesotans to use federal Supplemental Nutrition Assistance Program (SNAP) benefits for healthy purchases at Minnesota-based farmers' markets, mobile markets, and direct-farmer sales, including community-supported agriculture shares.

Sec. 42. Minnesota Statutes 2022, section 138.912, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Healthy eating, here at home" means a program administered by the Minnesota Humanities Center to provide incentives for low-income Minnesotans to use SNAP benefits for healthy purchases at Minnesota-based farmers' markets.

(c) "Healthy purchases" means SNAP-eligible foods.

(d) "Minnesota-based farmers' market" means a physical market as defined in section 28A.151, subdivision 1, paragraph (b), and also includes mobile markets and direct-farmer sales, including through a community-supported agriculture model.

(e) "Voucher" means a physical or electronic credit.

(f) "Eligible household" means an individual or family that is determined to be a recipient of SNAP.

Sec. 43. Minnesota Statutes 2022, 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;
- (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 commission 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. 44. Minnesota Statutes 2022, section 179A.22, subdivision 4, is amended to read:

Subd. 4. **Agreements.** The commissioner of management and budget is authorized to enter into agreements with exclusive representatives as provided in section 43A.06, subdivisions 1, paragraph (b), and 3. The Board of Trustees of the Minnesota State Colleges and Universities is authorized to enter into agreements with exclusive representatives as provided in section 43A.06, subdivision 1, paragraph (c). The negotiated agreements and any related arbitration ~~decision~~ decisions must be submitted to the legislature to be accepted or rejected in accordance with this section and section 3.855 implemented by the commissioner of management and budget or the Board of Trustees of the Minnesota State Colleges and Universities respectively, following the approval of the tentative agreement by exclusive representatives.

Sec. 45. Minnesota Statutes 2022, section 383B.32, subdivision 2, is amended to read:

Subd. 2. **Unclassified service.** (a) The unclassified service comprises:

- (1) officers chosen by election or appointment to fill an elective office;

- (2) members of boards and commissions appointed by the county board;
- (3) physicians, medical residents, interns, and students in training;
- (4) nonsalaried attending medical staff;
- (5) special sheriff's deputies serving without pay;
- (6) seasonal, temporary, provisional, intermittent, and emergency positions;
- (7) positions funded by specific governmental or nongovernmental grants of intermittent or limited funding duration;
- (8) the director or principal administrative officer of a department appointed pursuant to sections 383B.101 to 383B.103; or appointed by the county board; or appointed for a term pursuant to law;
- (9) chief deputy or principal assistant and secretary for each elected official;
- (10) examiner of titles and deputy examiners;
- (11) chief ~~criminal~~ public safety services deputy sheriff, a chief ~~civil~~ adult detention and court services deputy sheriff, a chief administrative deputy sheriff, ~~and a chief financial services~~ community relations deputy sheriff, and a chief investigations deputy sheriff;
- (12) public defender;
- (13) county medical examiner;
- (14) office staff appointed by the county administrator pursuant to sections 383B.101 to 383B.103; and
- (15) county administrator.

(b) Notwithstanding any contrary provision of other law, any person coming within paragraph (a), clause (8), who, on August 1, 2000, is in the classified service, remains in the classified service until vacating the position. After that, an appointee to a position described in paragraph (a), clause (8), is in the unclassified service.

Sec. 46. Minnesota Statutes 2022, section 462A.22, subdivision 10, is amended to read:

Subd. 10. **Audits.** All of the books and records of the agency shall be subject to audit by the legislative auditor in the manner prescribed for other agencies of state government. The agency is authorized also to employ and to contract in its resolutions and indentures for the employment of public accountants for the audit of books and records pertaining to any fund or funds. ~~The legislative auditor shall review contracts with public accountants as provided in section 3.972.~~

Sec. 47. Minnesota Statutes 2022, section 507.0945, is amended to read:

507.0945 ADMINISTRATION.

(a) An Electronic Real Estate Recording Commission ~~administered by the Legislative Coordinating Commission~~ is created to evaluate and must then may adopt standards to implement sections 507.0941 to 507.0948.

(b) The Electronic Real Estate Recording Commission shall consist of the following:

(1) three members appointed by the Minnesota Association of County Officials who are county employees, including one from within the seven-county metropolitan area, one from outside the seven-county metropolitan area, and at least one of whom is a county recorder and at least one of whom is a registrar of titles;

(2) one member appointed by the Minnesota Land Title Association;

(3) one member who represents the Minnesota Bankers Association;

(4) one member who represents the Section of Real Property Law of the Minnesota State Bar Association;

(5) one nonvoting member who is appointed by the other members of the commission and an expert in the technological aspects of electronic real estate recording; and

(6) one member who is the state archivist appointed pursuant to section 138.17.

(c) Members of the Electronic Real Estate Recording Commission shall serve four-year terms, except that (1) the initial appointments of county employees shall be for two years and (2) the expert in the technological aspects of electronic real estate recording shall serve at the pleasure of a majority of the other members of the commission. All initial terms shall commence on July 1, 2008. Members shall serve until their successors are appointed. Any member may be reappointed for successive terms.

(d) The state archivist shall call the first meeting of the Electronic Real Estate Recording Commission. At the first meeting and biennially thereafter, the commission shall elect from its membership a chair and vice-chair to serve two-year terms. Meetings may be called by the chair or the vice-chair ~~or the director of the Legislative Coordinating Commission~~. Meetings shall be held as often as necessary, but at least once a year.

(e) A majority of the voting members of the Electronic Real Estate Recording Commission constitutes a quorum to do business, and a majority of a quorum may act in any matter within the jurisdiction of the commission.

(f) As soon as practicable and as needed thereafter, the Electronic Real Estate Recording Commission shall identify the information technology and any other expertise it requires and report its needs to the Legislative Coordinating Commission. The Electronic Real Estate Recording Commission also shall report any other expertise it needs to fulfill its responsibilities. The Legislative Coordinating Commission shall provide support services, including meeting space, as needed for the Electronic Real Estate Recording Commission to carry out its duties in an effective manner. committees of the Minnesota House of Representatives and the Minnesota Senate that have jurisdiction.

Sec. 48. **MISSISSIPPI RIVER PARKWAY COMMISSION; CITIZEN MEMBERS.**

Citizens currently appointed to the Mississippi River Parkway Commission under Minnesota Statutes, section 161.1419, subdivision 2, for areas following the geographic segments along the Mississippi River, serve terms as follows:

(1) citizen member representing Lake Itasca, to but not including the city of Grand Rapids, for a term ending December 31, 2025;

(2) citizen member representing Grand Rapids, to but not including the city of Brainerd, for a term ending December 31, 2025;

(3) citizen member representing Brainerd, to but not including the city of Elk River, for a term ending December 31, 2025;

(4) citizen member representing Elk River, to but not including the city of Hastings, for a term ending December 31, 2027; and

(5) citizen member representing Hastings, to the Iowa border, for a term ending December 31, 2027.

Sec. 49. **REPEALER.**

(a) Minnesota Statutes 2022, section 136F.03, is repealed.

(b) Minnesota Statutes 2022, section 16B.24, subdivision 13, is repealed.

(c) Minnesota Statutes 2022, sections 179.90; and 179.91, are repealed.

(d) Minnesota Statutes 2022, sections 16B.323, subdivisions 1 and 2; and 16B.326, are repealed.

ARTICLE 2

LOCAL GOVERNMENT POLICY

Section 1. Minnesota Statutes 2022, section 118A.09, subdivision 1, is amended to read:

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

(1) a county or statutory or home rule charter city with a population of more than 100,000; or

(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; or 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.

~~(3) a self-insurance pool listed in section 471.982, subdivision 3.~~

(b) 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 paragraph (a),

clause (2), may not invest additional funds under this section during any time period when it does not meet the threshold, but may continue to manage funds previously invested under subdivision 2.

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

Sec. 2. Minnesota Statutes 2022, 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. 3. Minnesota Statutes 2022, section 118A.09, subdivision 3, is amended to read:

Subd. 3. **Funds.** (a) Qualifying governments may only invest under subdivision 2 according to the limitations in this subdivision. A qualifying government under subdivision 1, clause (1) or (2), may only invest its funds that are held for long-term capital plans authorized by the city council or county board, or long-term obligations of the qualifying government. Long-term obligations of the qualifying government include long-term capital plan reserves, funds held to offset long-term environmental exposure, other postemployment benefit liabilities, compensated absences, and other long-term obligations established by applicable accounting standards.

(b) Qualifying governments under subdivision 1, clause (1) or (2), may invest up to 15 percent of the sum of:

- (1) unassigned cash;
- (2) cash equivalents;
- (3) deposits; and
- (4) investments.

~~This~~ (c) The calculation in paragraph (b) must be based on the qualifying government's most recent audited statement of net position, which must be compliant and audited pursuant to governmental accounting and auditing standards. Once the amount invested reaches 15 percent of the sum of unassigned cash, cash equivalents, deposits, and investments, no further funds may be invested under this section; however, a qualifying government may continue to manage the funds previously invested under this section even if the total amount subsequently exceeds 15 percent of the sum of unassigned cash, cash equivalents, deposits, and investments.

~~(e) A qualified government under subdivision 1, clause (3), may invest up to the lesser of:~~

(1) 15 percent of the sum of its cash, cash equivalents, deposits, and investments; or

(2) 25 percent of its net assets as reported on the pool's most recent audited statement of net position, which must be compliant and audited pursuant to governmental accounting and auditing standards.

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

Sec. 4. **[118A.10] SELF-INSURANCE POOLS; ADDITIONAL INVESTMENT AUTHORITY.**

Subdivision 1. **Definition.** For the purposes of this section, "qualifying government" means a self-insurance pool listed in section 471.982, subdivision 3.

Subd. 2. **Additional investment authority.** (a) A qualifying government may invest in the securities specified in section 11A.24, with the exception of specific investments authorized under section 11A.24, subdivision 6, paragraph (a), clauses (1) to (5).

(b) Investments authorized under this section are subject to the limitations under section 11A.24.

(c) A qualifying government may invest with the State Board of Investment subject to the terms and minimum amounts adopted by the State Board of Investment.

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. 5. **[134.114] RAMSEY COUNTY LIBRARY ADVISORY BOARD.**

Subdivision 1. **Appointment.** The Ramsey County Board of Commissioners shall direct, operate, and manage the suburban Ramsey County library system. The county board shall appoint seven members to a suburban Ramsey County Library Advisory Board. All members must reside in the suburban county library service area. The Ramsey County Library Advisory Board shall replace the existing Ramsey County Library Board upon the effective date of this section.

Subd. 2. **Powers and duties.** The Ramsey County Library Advisory Board shall provide advice and make recommendations on matters pertaining to county library services. The Ramsey County Library Advisory Board shall provide recommendations regarding integrated county service delivery that impacts or is enhanced by library services. The county board may delegate additional powers and duties to the Ramsey County Library Advisory Board.

EFFECTIVE DATE. This section is effective the day after the governing body of Ramsey County and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 6. **[134.115] ANOKA COUNTY LIBRARY ADVISORY BOARD.**

Subdivision 1. Appointment. The Anoka County Board of Commissioners shall direct, operate, and manage the suburban Anoka County library system. The county board shall appoint seven members to a suburban Anoka County Library Advisory Board. All members must reside in the suburban county library service area. The Anoka County Library Advisory Board shall replace the existing Anoka County Library Board upon the effective date of this section.

Subd. 2. Powers and duties. The Anoka County Library Advisory Board shall provide advice and make recommendations on matters pertaining to county library services. The Anoka County Library Advisory Board shall provide recommendations regarding integrated county service delivery that impacts or is enhanced by library services. The county board may delegate additional powers and duties to the Anoka County Library Advisory Board.

EFFECTIVE DATE. This section is effective the day after the governing body of Anoka County and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 7. Minnesota Statutes 2022, section 428A.01, is amended by adding a subdivision to read:

Subd. 7. Multiunit residential property. "Multiunit residential property" means:

(1) property classified as class 4a under section 273.13, subdivision 25, paragraph (a);

(2) condominiums, as defined under section 515A.1-103, clause (7), that are classified as class 1a under section 273.13, subdivision 22, paragraph (a); class 4b under section 273.13, subdivision 25, paragraph (b), clause (1); or class 4bb under section 273.13, subdivision 25, paragraph (c), clause (1);

(3) condominium-type storage units classified as class 4bb under section 273.13, subdivision 25, paragraph (c), clause (3); and

(4) duplex or triplex property classified as class 1a under section 273.13, subdivision 22, paragraph (a); or classified as class 4b under section 273.13, subdivision 25, paragraph (b), clause (1).

Multiunit residential property does not include any unit that is an affordable housing unit.

EFFECTIVE DATE. This section is effective for the establishment or expansion of a special service district after July 1, 2023.

Sec. 8. Minnesota Statutes 2022, section 428A.01, is amended by adding a subdivision to read:

Subd. 8. Nonresidential property. "Nonresidential property" means property that is classified under section 273.13 and used for commercial, industrial, or public utility purposes, or is zoned for vacant land or designated on a land use plan for commercial or industrial use.

EFFECTIVE DATE. This section is effective for the establishment or expansion of a special service district after July 1, 2023.

Sec. 9. Minnesota Statutes 2022, section 428A.01, is amended by adding a subdivision to read:

Subd. 9. **Nonresidential owners.** "Nonresidential owners" means the owners of 50 percent or more of the land area of property subject to service charges on nonresidential property in a proposed or existing special service district and either the: (1) owners of 50 percent or more of the net tax capacity of property subject to a proposed or existing service charge, based on net tax capacity; or (2) owners, individuals, and business organizations subject to 50 percent or more of a proposed or existing service charge using a basis other than net tax capacity.

EFFECTIVE DATE. This section is effective for the establishment or expansion of a special service district after July 1, 2023.

Sec. 10. Minnesota Statutes 2022, section 428A.01, is amended by adding a subdivision to read:

Subd. 10. **Affordable housing unit.** "Affordable housing unit" means a residential unit affordable to households with incomes at or below 80 percent of area median income.

Sec. 11. Minnesota Statutes 2022, section 428A.02, subdivision 1, is amended to read:

Subdivision 1. **Ordinance.** The governing body of a city may adopt an ordinance establishing a special service district. Except as otherwise provided in section 428A.021, only nonresidential property that is classified under section 273.13 and used for commercial, industrial, or public utility purposes, or is vacant land zoned or designated on a land use plan for commercial or industrial use and located in the special service district, may be subject to the charges imposed by the city on the special service district. Other types of property may be included within the boundaries of the special service district but are not subject to the levies or charges imposed by the city on the special service district, unless nonresidential owners, as defined in section 428A.01, subdivision 9, make an election under section 428A.021. If 50 percent or more of the estimated market value of a parcel of property is classified under section 273.13 as commercial, industrial, or vacant land zoned or designated on a land use plan for commercial or industrial use, or public utility for the current assessment year, then the entire taxable market value of the property is subject to a service charge based on net tax capacity for purposes of sections 428A.01 to 428A.10. The ordinance shall describe with particularity the area within the city to be included in the district and the special services to be furnished in the district. The ordinance may not be adopted until after a public hearing has been held on the question. Notice of the hearing shall include the time and place of hearing, a map showing the boundaries of the proposed district, and a statement that all persons owning property in the proposed district that would be subject to a service charge will be given opportunity to be heard at the hearing. Within 30 days after adoption of the ordinance under this subdivision, the governing body shall send a copy of the ordinance to the commissioner of revenue.

EFFECTIVE DATE. This section is effective for the establishment or expansion of a special service district after July 1, 2023.

Sec. 12. **[428A.021] ELECTION TO INCLUDE MULTIUNIT RESIDENTIAL PROPERTY.**

Subdivision 1. **Multiunit residential property; new districts; election.** Prior to filing a petition with the city clerk under section 428A.08, nonresidential owners may elect to subject multiunit residential property to the charges imposed by the city on a special service district. The election must be filed with the city clerk. If an election is made, for purposes of section 428A.08, "property" includes multiunit residential property.

Subd. 2. **Multiunit residential property; in-district expansion.** Nonresidential owners may elect to expand the district to subject multiunit residential property to the charges for the district. The election must be filed with the city clerk. The city must provide for a hearing and notice on the expansion as required in sections 428A.02 and 428A.03. Notice must be served in the original district and must include the property proposed to be added to the district. Multiunit residential property added to the district is subject to all service charges imposed within the district after the property becomes a part of the district. On the question of whether to expand a district to include multiunit residential property, the petition requirement in section 428A.08 and the veto power in section 428A.09 apply to all owners, individuals, and business organizations that would be subject to the charges for the district.

Subd. 3. **Multiunit residential property; enlargement of boundaries.** Prior to the hearing and notice requirements in section 428A.04, a majority of the petitioners seeking enlargement of a district under section 428A.04 may elect to expand the proposed enlargement to subject multiunit residential property to the charges imposed by the city on a special service district. The election must be filed with the city clerk.

Subd. 4. **Common interest communities.** A unit in a common interest community, as defined under section 515B.1-103, clause (10), may only be included in a district under this section if the district will provide services not provided by the unit owner's association, as defined in section 515B.1-103, clause (4).

EFFECTIVE DATE. This section is effective for the establishment, expansion, or enlargement of a special service district after July 1, 2023.

Sec. 13. [471.585] MUNICIPAL HOTEL LICENSING.

(a) A statutory or home rule charter city or a town may adopt an ordinance requiring hotels as defined in section 327.70, subdivision 3, operating within the boundaries of the city or town to have a valid license issued by the city or town. An annual fee for a license under this section may not exceed \$150.

(b) An ordinance adopted under this section is limited to requiring compliance with state and local laws as a condition of licensure. No other licensing conditions or requirements are permitted.

(c) A city or town that has adopted an ordinance under this section may refuse to issue a license, or may revoke an existing license, if the hotel fails to comply with the conditions of the license.

Sec. 14. Minnesota Statutes 2022, section 473.606, subdivision 5, is amended to read:

Subd. 5. Employees, others, affirmative action; prevailing wage. The corporation shall have the power to appoint engineers and other consultants, attorneys, and such other officers, agents, and employees as it may see fit, who shall perform such duties and receive such compensation as the

corporation may determine ~~notwithstanding the provisions of section 43A.17, subdivision 9,~~ and be removable at the pleasure of the corporation. The corporation must adopt an affirmative action plan, which shall be submitted to the appropriate agency or office of the state for review and approval. The plan must include a yearly progress report to the agency or office. Whenever the corporation performs any work within the limits of a city of the first class, or establishes a minimum wage for skilled or unskilled labor in the specifications or any contract for work within one of the cities, the rate of pay to such skilled and unskilled labor must be the prevailing rate of wage for such labor in that city.

Sec. 15. MUNICIPAL BUILDING COMMISSION DISSOLUTION.

Subdivision 1. **Preemption.** This section supersedes any other law, home rule charter provision, and city ordinance to the contrary.

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

(b) "City hall and courthouse" means the city hall building and courthouse owned by the city of Minneapolis and Hennepin County and under the care and control of the Municipal Building Commission pursuant to Minnesota Statutes, sections 383B.75 to 383B.754.

(c) "Dissolution date" means the day after the Municipal Building Commission, the city of Minneapolis, and Hennepin County fully execute the transactional documents.

(d) "Municipal Building Commission" means the entity created by Minnesota Statutes, section 383B.75.

(e) "Transactional documents" means the agreements and documents, including any real estate ownership structure or joint powers agreement under Minnesota Statutes, section 471.59, needed to effectuate the efficient dissolution of the Municipal Building Commission pursuant to this section.

Subd. 3. **Transfer of assets.** Notwithstanding any other law to the contrary, the transaction documents shall provide for the transfer of all assets of the Municipal Building Commission including but not limited to all furniture, fixtures, equipment, and other personal property of the Municipal Building Commission to the city of Minneapolis or other legal entity as necessary and appropriate for the use of the assets in the ongoing operation and management of the city hall and courthouse.

Subd. 4. **Municipal Building Commission dissolution.** (a) Notwithstanding any other law or home rule charter provision to the contrary, the Municipal Building Commission and all its functions will be dissolved upon the dissolution date.

(b) The transactional documents must include how the city of Minneapolis and Hennepin County will manage the outstanding liabilities of the Municipal Building Commission that exist as of the dissolution date.

Subd. 5. **Transactional documents; agreements.** (a) The Municipal Building Commission, city of Minneapolis, and Hennepin County may execute transactional documents to effectuate the transfer of assets and dissolution provided for in this section.

(b) The Municipal Building Commission, city of Minneapolis, and the representatives of the Municipal Building Commission employees must reach an agreement addressing the impact of a dissolution on employees before fully executing the transactional documents.

(c) The Municipal Building Commission, city of Minneapolis, and Hennepin County must fully execute the transactional documents before the filing of a certificate of local approval of this section.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Minneapolis and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 16. **ST. PAUL; DESIGN-BUILD AUTHORIZATION.**

Notwithstanding Minnesota Statutes, section 471.345, or any other law to the contrary, the city of St. Paul may solicit and award a design-build contract for the East Side Skate Park project at Eastside Heritage Park on the basis of a best value selection process. The city must consider at least three proposals when awarding a design-build contract under this section.

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

Sec. 17. **REPEALER.**

(a) Minnesota Statutes 2022, section 43A.17, subdivision 9, is repealed.

(b) Minnesota Statutes 2022, sections 383B.75; 383B.751; 383B.752; 383B.753; and 383B.754, are repealed.

Sec. 18. **EFFECTIVE DATE.**

Sections 14 and 17, paragraph (a), are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state government; designating the state fire museum; changing provisions in state government operations; modifying enabling statutes for the Legislative Commission on Cybersecurity; modifying provisions related to the Office of the Legislative Auditor and the Legislative Audit Commission; authorizing forms of collateral for state deposits; modifying procedures for challenging accuracy of government data; modifying provisions relating to the Legislative Salary Council; modifying senate confirmation process for appointee nominations; modifying the targeted small business contracting program; modifying provisions related to the Regent Candidate Advisory Council; modifying provisions related to the State Historical Society; modifying the Healthy Eating, Here at Home program; modifies provisions relating to the Mississippi River Parkway Commission membership terms; modifying classified status of several positions in public safety; eliminating legislative action on collective bargaining agreements and arbitration decisions; moving and modifying the Office of Collaboration and Dispute Resolution; creating the Office of Enterprise Sustainability; eliminating the Candidate Advisory Council; modifying the setting of a fee for electric vehicles chargers for public use on the Capitol complex; modifying provisions related to local government; amending Minnesota Statutes 2022, sections 3.303, subdivision 6; 3.855, subdivisions 2, 3, 5; 3.888, subdivision 5, by adding subdivisions; 3.97,

subdivision 2; 3.972, subdivision 3; 3.978, subdivision 2; 3.979, subdivisions 2, 3, by adding a subdivision; 9.031, subdivision 3; 13.04, subdivision 4; 15.066, by adding a subdivision; 15A.0825, subdivisions 1, 2, 3, 4; 16B.32, subdivisions 1, 1a; 16B.58, by adding a subdivision; 16B.87, subdivision 2; 16C.16, subdivisions 6, 6a, 7; 16C.19; 16C.36; 43A.06, subdivision 1; 43A.18, subdivisions 1, 9; 118A.09, subdivisions 1, 2, 3; 137.0245, subdivision 2, by adding a subdivision; 138.081, subdivision 3; 138.665, subdivision 2; 138.912, subdivisions 1, 2; 161.1419, subdivision 2; 179A.22, subdivision 4; 383B.32, subdivision 2; 428A.01, by adding subdivisions; 428A.02, subdivision 1; 462A.22, subdivision 10; 473.606, subdivision 5; 507.0945; proposing coding for new law in Minnesota Statutes, chapters 1; 16B; 118A; 134; 428A; 471; repealing Minnesota Statutes 2022, sections 16B.24, subdivision 13; 16B.323, subdivisions 1, 2; 16B.326; 43A.17, subdivision 9; 136F.03; 179.90; 179.91; 383B.75; 383B.751; 383B.752; 383B.753; 383B.754."

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

Senator Hawj from the Committee on Environment, Climate, and Legacy, to which was referred

S.F. No. 2904: A bill for an act relating to natural resources; extending the Sustainable Forest Resources Act; amending Minnesota Statutes 2022, section 89A.11.

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

Delete everything after the enacting clause and insert:

"Section 1. [11A.236] ACCOUNT TO INVEST FINANCIAL ASSURANCE MONEY FROM PERMITS TO MINE.

Subdivision 1. **Establishment; appropriation.** (a) The State Board of Investment, when requested by the commissioner of natural resources, may invest money collected by the commissioner as part of financial assurance provided under a permit to mine issued under chapter 93. The State Board of Investment may establish one or more accounts into which money may be deposited for the purposes of this section, subject to the policies and procedures of the State Board of Investment. Use of any money in the account is restricted to the financial assurance purposes identified in sections 93.46 to 93.51 and rules adopted thereunder and as authorized under any trust fund agreement or other conditions established under a permit to mine.

(b) Money in an account established under paragraph (a) is appropriated to the commissioner for the purposes for which the account is established under this section.

Subd. 2. **Account maintenance and investment.** (a) The commissioner of natural resources may deposit money in the appropriate account and may withdraw money from the appropriate account for the financial assurance purposes identified in sections 93.46 to 93.51 and rules adopted thereunder and as authorized under any trust fund agreement or other conditions established under the permit to mine for which the financial assurance is provided, subject to the policies and procedures of the State Board of Investment.

(b) Investment strategies related to an account established under this section must be determined jointly by the commissioner of natural resources and the executive director of the State Board of

Investment. The authorized investments for an account are the investments authorized under section 11A.24 that are made available for investment by the State Board of Investment.

(c) Investment transactions must be at a time and in a manner determined by the executive director of the State Board of Investment. Decisions to withdraw money from the account must be determined by the commissioner of natural resources, subject to the policies and procedures of the State Board of Investment. Investment earnings must be credited to the appropriate account for financial assurance under the identified permit to mine.

(d) An account may be terminated by the commissioner of natural resources at any time, so long as the termination is in accordance with applicable statutes and rules and any trust fund agreement or other conditions established under the permit to mine, subject to the policies and procedures of the State Board of Investment.

Sec. 2. Minnesota Statutes 2022, section 84.788, subdivision 5, is amended to read:

Subd. 5. Report of ownership transfers; fee. (a) Application for transfer of ownership of an off-highway motorcycle registered under this section must be made to the commissioner within 15 days of the date of transfer.

(b) An application for transfer must be executed by the ~~registered~~ current owner and the purchaser using a bill of sale that includes the vehicle serial number.

(c) The purchaser is subject to the penalties imposed by section 84.774 if the purchaser fails to apply for transfer of ownership as provided under this subdivision.

Sec. 3. Minnesota Statutes 2022, section 84.82, subdivision 2, is amended to read:

Subd. 2. Application, issuance, issuing fee. (a) Application for registration or reregistration shall be made to the commissioner or an authorized deputy registrar of motor vehicles in a format prescribed by the commissioner and shall state the legal name and address of every owner of the snowmobile.

(b) A person who purchases a snowmobile from a retail dealer shall make application for registration to the dealer at the point of sale. The dealer shall issue a dealer temporary 21-day registration permit to each purchaser who applies to the dealer for registration. The temporary permit must contain the dealer's identification number and phone number. Each retail dealer shall submit completed registration and fees to the deputy registrar at least once a week. No fee may be charged by a dealer to a purchaser for providing the temporary permit.

(c) Upon receipt of the application and the appropriate fee, the commissioner or deputy registrar shall issue to the applicant, or provide to the dealer, an assigned registration number or a commissioner or deputy registrar temporary 21-day permit. The registration number must be printed on a registration decal issued by the commissioner or a deputy registrar. Once issued, the registration ~~number~~ decal must be affixed to the snowmobile in a clearly visible and permanent manner for enforcement purposes as the commissioner of natural resources shall prescribe according to subdivision 3b. A dealer subject to paragraph (b) shall provide the registration materials or temporary permit to the purchaser within the temporary 21-day permit period. The registration is not valid unless signed by at least one owner.

(d) Each deputy registrar of motor vehicles acting pursuant to section 168.33 shall also be a deputy registrar of snowmobiles. The commissioner of natural resources in agreement with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to ensure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with these accounting and procedural requirements.

(e) In addition to other fees prescribed by law, an issuing fee of \$4.50 is charged for each snowmobile registration renewal, duplicate or replacement registration card, and replacement decal, and an issuing fee of \$7 is charged for each snowmobile registration and registration transfer issued by:

(1) a registrar or a deputy registrar and must be deposited in the manner provided in section 168.33, subdivision 2; or

(2) the commissioner and must be deposited in the state treasury and credited to the snowmobile trails and enforcement account in the natural resources fund.

Sec. 4. Minnesota Statutes 2022, section 84.82, is amended by adding a subdivision to read:

Subd. 3b. **Display of registration decal.** (a) A person must not operate a snowmobile in the state or allow another to operate the person's snowmobile in the state unless the snowmobile has its unexpired registration decal affixed to each side of the snowmobile and the decals are legible.

(b) The registration decal must be affixed:

(1) for snowmobiles made after June 30, 1972, in the areas provided by the manufacturer under section 84.821, subdivision 2; and

(2) for all other snowmobiles, on each side of the cowling on the upper half of the snowmobile.

(c) When any previously affixed registration decal is destroyed or lost, a duplicate must be affixed in the same manner as provided in paragraph (b).

Sec. 5. Minnesota Statutes 2022, section 84.821, subdivision 2, is amended to read:

Subd. 2. **Area for registration number.** All snowmobiles made after June 30, 1972, and sold in Minnesota, shall be designed and made to provide an area on which to affix the registration number decal. This area shall be at a location and of dimensions prescribed by rule of the commissioner. A clear area must be provided on each side of the cowling with a minimum size of 3-1/2 square inches and at least 12 inches from the ground when the machine is resting on a hard surface.

Sec. 6. Minnesota Statutes 2022, section 84.84, is amended to read:

84.84 TRANSFER OR TERMINATION OF SNOWMOBILE OWNERSHIP.

(a) Within 15 days after the transfer of ownership, or any part thereof, other than a security interest, or the destruction or abandonment of any snowmobile, written notice of the transfer or destruction or abandonment shall be given to the commissioner in such form as the commissioner shall prescribe.

(b) An application for transfer must be executed by the ~~registered~~ current owner and the purchaser using a bill of sale that includes the vehicle serial number.

(c) The purchaser is subject to the penalties imposed by section 84.88 if the purchaser fails to apply for transfer of ownership as provided under this subdivision. Every owner or part owner of a snowmobile shall, upon failure to give notice of destruction or abandonment, be subject to the penalties imposed by section 84.88.

Sec. 7. Minnesota Statutes 2022, section 84.86, subdivision 1, is amended to read:

Subdivision 1. **Required rules, fees, and reports.** (a) With a view of achieving maximum use of snowmobiles consistent with protection of the environment the commissioner of natural resources shall adopt rules in the manner provided by chapter 14, for the following purposes:

- (1) registration of snowmobiles ~~and display of registration numbers;~~
- (2) use of snowmobiles insofar as game and fish resources are affected;
- (3) use of snowmobiles on public lands and waters, or on grant-in-aid trails;
- (4) uniform signs to be used by the state, counties, and cities, which are necessary or desirable to control, direct, or regulate the operation and use of snowmobiles;
- (5) specifications relating to snowmobile mufflers; and
- (6) a comprehensive snowmobile information and safety education and training program; including that includes but is not limited to the preparation and dissemination of preparing and disseminating snowmobile information and safety advice to the public, the training of snowmobile operators, and the issuance of issuing snowmobile safety certificates to snowmobile operators who successfully complete the snowmobile safety education and training course.

(b) For the purpose of administering ~~such~~ the program under paragraph (a), clause (6), and to defray expenses of training and certifying snowmobile operators, the commissioner shall collect a fee from each person who receives the youth or adult training. The commissioner shall collect a fee, to include a \$1 issuing fee for licensing agents, for issuing a duplicate snowmobile safety certificate. The commissioner shall establish both fees in a manner that neither significantly overrecovers nor underrecovers costs, including overhead costs, involved in providing the services. The fees are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply. The fees may be established by the commissioner notwithstanding section 16A.1283. The fees, except for the issuing fee for licensing agents under this subdivision, shall be deposited in the snowmobile trails and enforcement account in the natural resources fund and the amount thereof, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, and issuing fees collected by the commissioner, is appropriated annually to the Enforcement Division of the Department of Natural Resources for ~~the administration of such administering the programs~~. In addition to the fee established by the commissioner, instructors may charge each person any fee paid by the instructor for the person's online training course and up to the established fee amount for class materials and expenses. The commissioner shall cooperate with private organizations and associations, private and public corporations, and local governmental units in furtherance of the program established under ~~this~~ paragraph (a), clause (6). School districts may

cooperate with the commissioner and volunteer instructors to provide space for the classroom portion of the training. The commissioner shall consult with the commissioner of public safety in regard to training program subject matter and performance testing that leads to the certification of snowmobile operators.

~~(7)~~ (c) The operator of any snowmobile involved in an accident resulting in injury requiring medical attention or hospitalization to or death of any person or total damage to an extent of \$500 or more, shall forward a written report of the accident to the commissioner on ~~such a form as prescribed by the commissioner shall prescribe~~. If the operator is killed or is unable to file a report due to incapacitation, any peace officer investigating the accident shall file the accident report within ten business days.

Sec. 8. Minnesota Statutes 2022, section 84.87, subdivision 1, is amended to read:

Subdivision 1. **Operation on streets and highways.** (a) No person shall operate a snowmobile upon the roadway, shoulder, or inside bank or slope of any trunk, county state-aid, or county highway in this state and, in the case of a divided trunk or county highway, on the right-of-way between the opposing lanes of traffic, except as provided in sections 84.81 to 84.90. No person shall operate a snowmobile within the right-of-way of any trunk, county state-aid, or county highway between the hours of one-half hour after sunset to one-half hour before sunrise, except on the right-hand side of such right-of-way and in the same direction as the highway traffic on the nearest lane of the roadway adjacent thereto. No snowmobile shall be operated at any time within the right-of-way of any interstate highway or freeway within this state.

(b) Notwithstanding any provision of paragraph (a) to the contrary:

(1) under conditions prescribed by the commissioner of transportation, the commissioner of transportation may allow two-way operation of snowmobiles on either side of the trunk highway right-of-way where the commissioner of transportation determines that two-way operation will not endanger users of the trunk highway or riders of the snowmobiles using the trail;

(2) under conditions prescribed by a local road authority as defined in section 160.02, subdivision 25, the road authority may allow two-way operation of snowmobiles on either side of the right-of-way of a street or highway under the road authority's jurisdiction, where the road authority determines that two-way operation will not endanger users of the street or highway or riders of the snowmobiles using the trail;

(3) the commissioner of transportation under clause (1) and the local road authority under clause (2) shall notify the commissioner of natural resources and the local law enforcement agencies responsible for the streets or highways of the locations of two-way snowmobile trails authorized under this paragraph; and

(4) two-way snowmobile trails authorized under this paragraph shall be posted for two-way operation at the authorized locations.

(c) A snowmobile may make a direct crossing of a street or highway at any hour of the day provided:

(1) the crossing is made at an angle of approximately 90 degrees to the direction of the highway and at a place where no obstruction prevents a quick and safe crossing;

(2) the snowmobile is brought to a complete stop before crossing the shoulder or main traveled way of the highway;

(3) the driver yields the right-of-way to all oncoming traffic which constitutes an immediate hazard;

(4) in crossing a divided highway, the crossing is made only at an intersection of such highway with another public street or highway or at a safe location approved by the road authority;

(5) if the crossing is made between the hours of one-half hour after sunset to one-half hour before sunrise or in conditions of reduced visibility, only if both front and rear lights are on; and

(6) a snowmobile may be operated upon a bridge, other than a bridge that is part of the main traveled lanes of an interstate highway, when required for the purpose of avoiding obstructions to travel when no other method of avoidance is possible; provided the snowmobile is operated in the extreme right-hand lane, the entrance to the roadway is made within 100 feet of the bridge and the crossing is made without undue delay.

(d) No snowmobile shall be operated upon a public street or highway unless it is equipped with at least one headlamp, one tail lamp, each of minimum candlepower as prescribed by rules of the commissioner, reflector material of a minimum area of 16 square inches mounted on each side forward of the handle bars, and with brakes each of which shall conform to standards prescribed by rule of the commissioner pursuant to the authority vested in the commissioner by section 84.86, and each of which shall be subject to approval of the commissioner of public safety.

(e) A snowmobile may be operated upon a public street or highway other than as provided by paragraph (c) in an emergency during the period of time when and at locations where snow upon the roadway renders travel by automobile impractical.

(f) All provisions of chapters 169 and 169A shall apply to the operation of snowmobiles upon streets and highways, except for those relating to required equipment, and except those which by their nature have no application. Section 169.09 applies to the operation of snowmobiles anywhere in the state or on the ice of any boundary water of the state.

(g) Any sled, trailer, or other device being towed by a snowmobile must be equipped with reflective materials as required by rule of the commissioner.

Sec. 9. Minnesota Statutes 2022, section 84.922, subdivision 4, is amended to read:

Subd. 4. **Report of transfers.** (a) Application for transfer of ownership must be made to the commissioner within 15 days of the date of transfer.

(b) An application for transfer must be executed by the ~~registered~~ current owner and the purchaser using a bill of sale that includes the vehicle serial number.

(c) The purchaser is subject to the penalties imposed by section 84.774 if the purchaser fails to apply for transfer of ownership as provided under this subdivision.

Sec. 10. Minnesota Statutes 2022, section 84.992, subdivision 2, is amended to read:

Subd. 2. **Program.** The commissioner of natural resources shall develop and implement a program for the Minnesota Naturalist Corps that supports state parks and trails in providing interpretation of the natural and cultural features of state parks and trails in order to enhance visitors' awareness, understanding, and appreciation of those features and encourages the wise and sustainable use of the environment.

Sec. 11. Minnesota Statutes 2022, section 84.992, subdivision 5, is amended to read:

Subd. 5. **Eligibility.** A person is eligible to enroll in the Minnesota Naturalist Corps if the person:

~~(1) is a permanent resident of the state;~~

~~(2) is a participant in an approved college internship program in a field related to natural resources, cultural history, interpretation, or conservation; and~~

~~(3) has completed at least one year of postsecondary education.~~

Sec. 12. Minnesota Statutes 2022, section 85.015, subdivision 10, is amended to read:

Subd. 10. **Luce Line Trail, Hennepin, McLeod, and Meeker Counties.** (a) The trail shall originate at Gleason Lake in Plymouth Village, Hennepin County, ~~and shall~~ follow the route of the Chicago Northwestern Railroad, and include a connection to Greenleaf Lake State Recreation Area.

(b) The trail shall be developed for multiuse wherever feasible. The department shall cooperate in maintaining its integrity for modes of use consistent with local ordinances.

(c) In establishing, developing, maintaining, and operating the trail, the commissioner shall cooperate with local units of government and private individuals and groups. Before acquiring any parcel of land for the trail, the commissioner of natural resources shall develop a management program for the parcel and conduct a public hearing on the proposed management program in the vicinity of the parcel to be acquired. The management program of the commissioner shall include but not be limited to the following:

(1) fencing ~~of~~ portions of the trail where necessary to protect adjoining landowners; and

(2) ~~the maintenance of~~ maintaining the trail in a ~~litter-free~~ litter-free condition to the extent practicable.

(d) The commissioner shall not acquire any of the right-of-way of the Chicago Northwestern Railway Company until the abandonment of the line described in this subdivision has been approved by the Surface Transportation Board or the former Interstate Commerce Commission. Compensation, in addition to the value of the land, shall include improvements made by the railroad, including but not limited to, bridges, trestles, public road crossings, or any portion thereof, it being the desire of the railroad that such improvements be included in the conveyance. The fair market value of the land and improvements shall be recommended by two independent appraisers mutually agreed upon by the parties. The fair market value thus recommended shall be reviewed by a review appraiser agreed to by the parties, and the fair market value thus determined, and supported by appraisals,

may be the purchase price. The commissioner may exchange lands with landowners abutting the right-of-way described in this section to eliminate diagonally shaped separate fields.

Sec. 13. Minnesota Statutes 2022, section 85.052, subdivision 6, is amended to read:

Subd. 6. **State park reservation system.** (a) The commissioner may, by written order, develop reasonable reservation policies for ~~campsites and other~~ using camping, lodging, and day-use facilities and for tours, educational programs, seminars, events, and rentals. The policies are exempt from the rulemaking provisions under chapter 14, and section 14.386 does not apply.

(b) The revenue collected from the state park reservation fee established under subdivision 5, including interest earned, ~~shall~~ must be deposited in the state park account in the natural resources fund and is annually appropriated to the commissioner for the cost of operating the state park reservation and point-of-sale system.

Sec. 14. Minnesota Statutes 2022, section 89A.11, is amended to read:

89A.11 SUNSET.

Sections 89A.01; 89A.02; 89A.03; 89A.04; 89A.05; 89A.06; 89A.07; 89A.08; 89A.09; 89A.10; 89A.105; and 89A.11 expire June 30, ~~2028~~ 2033.

Sec. 15. Minnesota Statutes 2022, section 90.181, subdivision 2, is amended to read:

Subd. 2. **Deferred payments.** (a) If the amount of the statement is not paid or the payment is not postmarked within 30 days of the statement date thereof, ~~it shall bear~~, the amount bears interest at the rate determined pursuant to section 16A.124, except that the purchaser ~~shall not be~~ is not required to pay interest that totals \$1 or less. If the amount is not paid within 60 days, the commissioner shall place the account in the hands of the commissioner of revenue according to chapter 16D, who shall proceed to collect the ~~same amount due~~. When deemed in the best interests of the state, the commissioner shall take possession of the timber for which an amount is due wherever it may be found and sell the ~~same timber~~ informally or at public auction after giving reasonable notice.

(b) The proceeds of the sale ~~shall~~ must be applied, first, to the payment of the expenses of seizure and sale; and, second, to the payment of the amount due for the timber, with interest; ~~and~~. The surplus, if any, ~~shall belong~~ belongs to the state; ~~and~~. In case a sufficient amount is not realized to pay these amounts in full, the balance ~~shall~~ must be collected by the attorney general. ~~Neither~~ Payment of the amount, ~~nor the~~ recovery of judgment therefor for the amount, ~~nor~~ satisfaction of the judgment, ~~nor the~~ or seizure and sale of timber, ~~shall~~ does not:

(1) release the sureties on any security deposit given pursuant to this chapter; ~~or~~;

(2) preclude the state from afterwards claiming that the timber was cut or removed contrary to law and recovering damages for the trespass thereby committed; ~~or~~

(3) preclude the state from prosecuting the offender criminally.

Sec. 16. Minnesota Statutes 2022, section 97A.015, subdivision 51, is amended to read:

Subd. 51. **Unloaded.** "Unloaded" means, with reference to a firearm, without ammunition in the barrels and magazine, if the magazine is in the firearm. A muzzle-loading firearm ~~with~~ is unloaded if:

(1) for a flintlock ignition is unloaded if, it does not have priming powder in a pan—A muzzle-loading firearm with;

(2) for a percussion ignition is unloaded if, it does not have a percussion cap on a nipple;

(3) for an electronic ignition system, the battery is removed and is disconnected from the firearm;
and

(4) for an encapsulated powder charge ignition system, the primer is removed from the firearm.

Sec. 17. Minnesota Statutes 2022, section 97A.031, is amended to read:

97A.031 WANTON WASTE.

(a) Unless expressly allowed, a person may not wantonly waste or destroy a usable part of a protected wild animal.

(b) This section does not apply to common carp.

Sec. 18. Minnesota Statutes 2022, section 97A.126, is amended to read:

97A.126 WALK-IN ACCESS PROGRAM.

Subdivision 1. **Establishment.** A walk-in access program is established to provide public access to wildlife habitat on private land for hunting, bird-watching, nature photography, and similar compatible uses, excluding trapping, as provided under this section. The commissioner may enter into agreements with other units of government and landowners to provide private land hunting access.

Subd. 2. **Use of enrolled lands.** (a) From September 1 to May 31, a person must have a walk-in access ~~hunter~~ validation in possession to hunt, photograph, and watch wildlife on private lands, including agricultural lands, that are posted as being enrolled in the walk-in access program.

(b) Hunting, bird-watching, nature photography, and similar compatible uses on private lands that are posted as enrolled in the walk-in access program is allowed from one-half hour before sunrise to one-half hour after sunset.

(c) ~~Hunter~~ Access on private lands that are posted as enrolled in the walk-in access program is restricted to nonmotorized use, except by ~~hunters~~ persons with disabilities operating motor vehicles on established trails or field roads who possess a valid permit to shoot from a stationary vehicle under section 97B.055, subdivision 3.

(d) The general provisions for use of wildlife management areas adopted under sections 86A.06 and 97A.137, relating to overnight use, alcoholic beverages, use of motorboats, firearms and target shooting, hunting stands, abandonment of trash and property, destruction or removal of property,

introduction of plants or animals, and animal trespass, apply to ~~hunters on~~ use of lands enrolled in the walk-in access program.

(e) Any use of enrolled lands other than ~~hunting according to~~ use authorized under this section is prohibited, including:

(1) harvesting bait, including minnows, leeches, and other live bait;

(2) training dogs or using dogs for activities other than hunting; and

(3) constructing or maintaining any building, dock, fence, billboard, sign, hunting blind, or other structure, unless constructed or maintained by the landowner.

Subd. 3. **Walk-in-access ~~hunter~~ validation; fee.** The fee for a walk-in-access ~~hunter~~ validation is \$3.

Sec. 19. Minnesota Statutes 2022, section 97A.137, subdivision 3, is amended to read:

Subd. 3. **Use of motorized vehicles by ~~disabled hunters~~ people with disabilities.** The commissioner may ~~issue~~ provide an accommodation by issuing a special permit, without a fee, authorizing a ~~hunter person~~ person with a ~~permanent physical~~ disability to use ~~a snowmobile, highway-licensed vehicle, all-terrain vehicle, an other power-driven mobility device, as defined under Code of Federal Regulations, title 28, section 35.104, or a motor boat in wildlife management areas.~~ another power-driven mobility device, as defined under Code of Federal Regulations, title 28, section 35.104, or a motor boat in wildlife management areas. To qualify for a permit under this subdivision, the ~~disabled~~ person must ~~possess;~~ provide credible assurance to the commissioner that the device or motor boat is used because of a disability.

~~(1) the required hunting licenses; and~~

~~(2) a permit to shoot from a stationary vehicle under section 97B.055, subdivision 3.~~

Sec. 20. Minnesota Statutes 2022, section 97A.137, subdivision 5, is amended to read:

Subd. 5. **Portable stands.** (a) Prior to the Saturday on or nearest September 16, a portable stand may be left overnight in a wildlife management area by a person with a valid bear license who is hunting within 100 yards of a bear bait site that is legally tagged and registered as prescribed under section 97B.425. Any person leaving a portable stand overnight under this subdivision must affix a tag with: (1) the person's name and address; (2) the licensee's driver's license number; or (3) the "MDNR#" license identification number issued to the licensee. The tag must be affixed to the stand in a manner that it can be read from the ground.

(b) From November 1 through December 31, a portable stand may be left overnight by a person possessing a license to take deer in a wildlife management area located in whole or in part north and west of a line described as follows:

State Trunk Highway 1 from the west boundary of the state to State Trunk Highway 89; then north along State Trunk Highway 89 to Fourtown; then north on County State-Aid Highway 44, Beltrami County, to County Road 704, Beltrami County; then north on County Road 704 to Dick's Parkway State Forest Road; then north on Dick's Parkway to County State-Aid Highway 5, Roseau County; then north on County State-Aid Highway 5 to Warroad; then north on State Trunk Highway

11 to State Trunk Highway 313; then north on State Trunk Highway 313 to the north boundary of the state.

A person leaving a portable stand overnight under this paragraph must affix a tag with: (1) the person's name and address; (2) the licensee's driver's license number; or (3) the "MDNR#" license identification number issued to the licensee. The tag must be affixed to the stand so that it can be read from the ground and must be made of a material sufficient to withstand weather conditions. A person leaving a portable stand overnight in a wildlife management area under this paragraph may not leave more than two portable stands in any one wildlife management area. Unoccupied portable stands left overnight under this paragraph may be used by any member of the public. ~~This paragraph expires December 31, 2019.~~

EFFECTIVE DATE. This section is effective retroactively from July 1, 2019, and Minnesota Statutes, section 97A.137, subdivision 5, paragraph (b), is revived and reenacted as of that date.

Sec. 21. Minnesota Statutes 2022, section 97A.401, subdivision 1, is amended to read:

Subdivision 1. **Commissioner's authority.** The commissioner may issue special permits for the activities in this section. A special permit may be issued in the form of a general permit to a governmental subdivision or to the general public to conduct one or more activities under subdivisions 2 to 8 9.

Sec. 22. Minnesota Statutes 2022, section 97A.401, is amended by adding a subdivision to read:

Subd. 9. **Taking wild animals with federal incidental take permit.** The commissioner must prescribe conditions for and may issue a permit to a person for taking wild animals during activities covered under a federal incidental take permit issued under section 10(a)(1)(B) of the federal Endangered Species Act, including to a landowner for taking wild animals during activities covered by a certificate of inclusion issued by the commissioner under Code of Federal Regulations, title 50, section 13.25(e).

Sec. 23. Minnesota Statutes 2022, section 97A.405, subdivision 5, is amended to read:

Subd. 5. **Resident licenses.** (a) To obtain a resident license, ~~a resident~~ an individual 21 years of age or older must be a resident and:

(1) possess a current Minnesota driver's license or a valid application receipt for a driver's license that is at least 60 days past the issuance date;

(2) possess a current identification card issued by the commissioner of public safety or a valid application receipt for an identification card that is at least 60 days past the issuance date; ~~or~~

(3) present evidence showing proof of residency in cases when clause (1) or (2) would violate the Religious Freedom Restoration Act of 1993, Public Law 103-141; or

(4) possess a Tribal identification card as provided in paragraph (b).

(b) For purposes of this subdivision, "Tribal identification card" means an unexpired identification card as provided under section 171.072, paragraphs (b) and (c). The Tribal identification card:

(1) must contain the enrolled Tribal member's Minnesota residence address; and

(2) may be used to obtain a resident license under paragraph (a) only if the Tribal member does not have a current driver's license or state identification card in any state.

(c) A person must not have applied for, purchased, or accepted a resident hunting, fishing, or trapping license issued by another state or foreign country within 60 days before applying for a resident license under this section.

Sec. 24. Minnesota Statutes 2022, section 97A.421, subdivision 3, is amended to read:

Subd. 3. **Issuance after conviction; big game.** (a) A person may not use a big-game license purchased before conviction, obtain any a big-game license, or take big game under a lifetime license, issued under section 97A.473, for three years after the person is convicted of:

- (1) a gross misdemeanor violation under the game and fish laws relating to big game;
- (2) doing an act without a required big-game license; or
- (3) the second violation within three years under the game and fish laws relating to big game.

(b) A person may not obtain any deer license or take deer under a lifetime license issued under section 97A.473 for one year after the person is convicted of hunting deer with the aid or use of bait under section 97B.328.

(c) The revocation period under paragraphs (a) and (b) doubles if the conviction is for a deer that is a trophy deer scoring higher than 170 using the scoring method established for wildlife restitution values adopted under section 97A.345.

Sec. 25. Minnesota Statutes 2022, section 97B.031, subdivision 1, is amended to read:

Subdivision 1. **Permissible firearms and ammunition; big game and wolves.** A person may take big game and wolves with a firearm only if:

(1) ~~the any~~ rifle, shotgun, ~~and or~~ handgun used is a caliber of at least .22 inches and ~~with~~ has centerfire ignition;

(2) the firearm is loaded only with single projectile ammunition;

(3) a projectile used is a caliber of at least .22 inches and has a soft point or is an expanding bullet type;

(4) ~~the any~~ muzzleloader used ~~is incapable of being~~ has the projectile loaded only at the ~~breech~~ muzzle;

(5) ~~the any~~ smooth-bore muzzleloader used is a caliber of at least .45 inches; and

(6) ~~the any~~ rifled muzzleloader used is a caliber of at least .40 inches.

Sec. 26. Minnesota Statutes 2022, section 97B.071, is amended to read:

97B.071 CLOTHING AND GROUND BLIND REQUIREMENTS; BLAZE ORANGE OR BLAZE PINK.

(a) Except as provided in rules adopted under paragraph ~~(e)~~ (d), a person may not hunt or trap during the open season where deer may be taken by firearms under applicable laws and ordinances, unless the visible portion of the person's cap and outer clothing above the waist, excluding sleeves and gloves, is blaze orange or blaze pink. Blaze orange or blaze pink includes a camouflage pattern of at least 50 percent blaze orange or blaze pink within each foot square. This section does not apply to migratory-waterfowl hunters on waters of this state or in a stationary shooting location or to trappers on waters of this state.

(b) Except as provided in rules adopted under paragraph ~~(e)~~ (d), and in addition to the requirement in paragraph (a), a person may not take small game other than turkey, migratory birds, raccoons, and predators, except while trapping, unless a visible portion of at least one article of the person's clothing above the waist is blaze orange or blaze pink. This paragraph does not apply to a person when in a stationary location while hunting deer by archery or when hunting small game by falconry.

(c) A person in a fabric or synthetic ground blind on public land must have:

(1) a blaze orange or blaze pink safety covering on the top of the blind that is visible for 360 degrees around the blind; or

(2) at least 144 square inches of blaze orange or blaze pink material on each side of the blind.

~~(e)~~ (d) The commissioner may, by rule, prescribe an alternative color in cases where paragraph (a) or (b) would violate the Religious Freedom Restoration Act of 1993, Public Law 103-141.

~~(d)~~ (e) A violation of paragraph (b) ~~shall~~ does not result in a penalty, but is punishable only by a safety warning.

Sec. 27. Minnesota Statutes 2022, section 97B.301, subdivision 2, is amended to read:

Subd. 2. **Limit of one deer.** A person may obtain one regular firearms season deer license, one muzzleloader season deer license, and one archery season deer license in the same license year, but may not ~~tag~~ take more than one deer except as provided in subdivisions 3 and 4.

Sec. 28. Minnesota Statutes 2022, section 97B.301, subdivision 6, is amended to read:

Subd. 6. **Residents or nonresidents under age 18; taking either-sex deer.** A resident or nonresident under the age of 18 may take a deer of either sex except in those antlerless permit areas and seasons where no antlerless permits are offered. In antlerless permit areas where no antlerless permits are offered, the commissioner may provide a limited number of youth either sex permits to residents or nonresidents under age 18, under the procedures provided in section 97B.305, and may give preference to residents or nonresidents under the age of 18 that have not previously been selected. This subdivision does not authorize the taking of ~~an antlerless~~ a deer by another member of a party under subdivision 3.

Sec. 29. Minnesota Statutes 2022, section 97B.318, subdivision 1, is amended to read:

Subdivision 1. **Shotgun use area.** During ~~the regular~~ any firearms season in the shotgun use area, only legal shotguns loaded with single-slug shotgun shells, legal muzzle-loading long guns, and legal handguns may be used for taking deer. Legal shotguns include those with rifled barrels. The shotgun use area is that portion of the state lying within the following described boundary: Beginning on the west boundary of the state at the northern boundary of Clay County; thence along the northern boundary of Clay County to State Trunk Highway (STH) 32; thence along STH 32 to STH 34; thence along STH 34 to Interstate Highway 94 (I-94); thence along I-94 to County State-Aid Highway (CSAH) 40, Douglas County; thence along CSAH 40 to CSAH 82, Douglas County; thence along CSAH 82 to CSAH 22, Douglas County; thence along CSAH 22 to CSAH 6, Douglas County; thence along CSAH 6 to CSAH 14, Douglas County; thence along CSAH 14 to STH 29; thence along STH 29 to CSAH 46, Otter Tail County; thence along CSAH 46, Otter Tail County, to CSAH 22, Todd County; thence along CSAH 22 to U.S. Highway 71; thence along U.S. Highway 71 to STH 27; thence along STH 27 to the Mississippi River; thence along the east bank of the Mississippi River to STH 23; thence along STH 23 to STH 95; thence along STH 95 to U.S. Highway 8; thence along U.S. Highway 8 to the eastern boundary of the state; thence along the east, south, and west boundaries of the state to the point of beginning.

Sec. 30. Minnesota Statutes 2022, section 97B.668, is amended to read:

97B.668 ~~GAME BIRDS~~ ANIMALS CAUSING DAMAGE.

Subdivision 1. **Game birds causing damage.** Notwithstanding sections 97B.091 and 97B.805, subdivisions 1 and 2, a person or agent of that person on lands and nonpublic waters owned or operated by the person may nonlethally scare, haze, chase, or harass game birds that are causing property damage or to protect a disease risk at any time or place that a hunting season for the game birds is not open. This section does not apply to public waters as defined under section 103G.005, subdivision 15. This section does not apply to migratory waterfowl on nests and other federally protected game birds on nests, except ducks and geese on nests when a permit is obtained under section 97A.401.

Subd. 2. **Deer and elk causing damage.** (a) Notwithstanding section 97B.091, a property owner, the property owner's immediate family member, or an agent of the property owner may nonlethally scare, haze, chase, or harass deer or elk that are causing damage to agricultural crops that are propagated under generally accepted agricultural practices.

(b) Paragraph (a) applies only:

(1) in the immediate area of the crop damage; and

(2) during the closed season for taking deer or elk.

(c) Paragraph (a) does not allow:

(1) using poisons;

(2) using dogs;

(3) conduct that drives a deer or elk to the point of exhaustion;

(4) activities that require a permit under section 97A.401; or

(5) conduct that causes the death of or that is likely to cause the death of a deer or elk.

(d) A property owner or the owner's agent must report the death of a deer or elk to staff in the Division of Fish and Wildlife within 24 hours of the death if the death resulted from actions taken under paragraph (a).

Sec. 31. Minnesota Statutes 2022, section 97C.041, is amended to read:

97C.041 COMMISSIONER MAY REMOVE ROUGH FISH ~~AND CATFISH~~.

The commissioner may take rough fish, ~~lake whitefish,~~ and rainbow smelt with seines, nets, and other devices. ~~The commissioner may also take catfish with seines, nets, and other devices on the Minnesota-Wisconsin boundary waters.~~ The commissioner may hire or contract persons, or issue permits, to take the fish. The commissioner shall prescribe the manner of taking and disposal. The commissioner may award a contract under this section without competitive bidding. Before establishing the contractor's compensation, the commissioner must consider the qualifications of the contractor, including the contractor's equipment, knowledge of the waters, and ability to perform the work.

Sec. 32. Minnesota Statutes 2022, section 97C.315, subdivision 1, is amended to read:

Subdivision 1. **Lines.** An angler may not use more than one line, except that:

(1) two lines may be used to take fish through the ice; ~~and~~

(2) the commissioner may, by rule, authorize the use of two lines in areas designated by the commissioner in Lake Superior; and

(3) two lines may be used in the Minnesota River downstream of the Granite Falls Dam and in the Mississippi River downstream of St. Anthony Falls.

Sec. 33. Minnesota Statutes 2022, section 97C.345, subdivision 1, is amended to read:

Subdivision 1. **When use prohibited.** Except as specifically authorized, a person may not take fish with a spear from the third Monday in February to the Friday before the last Saturday in April and may not take fish with a fish trap, net, dip net, seine, or other device capable of taking fish from the third Monday in February ~~to~~ through April 30.

Sec. 34. **[97C.348] FELT-SOLED WADERS.**

Using felt-soled waders is prohibited in waters of the state. For purposes of this section "felt-soled waders" means boots or shoes that have water-absorbing material affixed to the soles or bottoms.

Sec. 35. Minnesota Statutes 2022, section 97C.371, subdivision 1, is amended to read:

Subdivision 1. **Species allowed.** Only rough fish, catfish, lake whitefish, cisco (tulibee), and northern pike may be taken by spearing.

Sec. 36. Minnesota Statutes 2022, section 97C.371, subdivision 2, is amended to read:

Subd. 2. **Dark houses required for certain species.** Catfish, lake whitefish, cisco (tulibee), and northern pike may be speared only from dark houses.

Sec. 37. Minnesota Statutes 2022, section 97C.371, subdivision 4, is amended to read:

Subd. 4. **Open season.** The open season for spearing through the ice is November 15 ~~to~~ through the last Sunday in February.

Sec. 38. Minnesota Statutes 2022, section 97C.395, subdivision 1, is amended to read:

Subdivision 1. **Dates for certain species.** (a) The open seasons to take fish by angling are as follows:

(1) for walleye, sauger, northern pike, muskellunge, largemouth bass, and smallmouth bass, the Saturday two weeks prior to the Saturday of Memorial Day weekend ~~to~~ through the last Sunday in February;

(2) for lake trout, from January 1 ~~to~~ through October 31;

(3) for the winter season for lake trout, brown trout, brook trout, rainbow trout, and splake on all lakes located outside or partially within the Boundary Waters Canoe Area, from January 15 ~~to~~ through March 31;

(4) for the winter season for lake trout, brown trout, brook trout, rainbow trout, and splake on all lakes located entirely within the Boundary Waters Canoe Area, from January 1 ~~to~~ through March 31;

(5) for brown trout, brook trout, rainbow trout, and splake, between January 1 ~~to~~ through October 31 as prescribed by the commissioner by rule except as provided in section 97C.415, subdivision 2; and

(6) for salmon, as prescribed by the commissioner by rule.

(b) The commissioner shall close the season in areas of the state where fish are spawning and closing the season will protect the resource.

Sec. 39. Minnesota Statutes 2022, section 97C.601, subdivision 1, is amended to read:

Subdivision 1. **Season.** The open season for frogs is May 16 ~~to~~ through March 31. The commissioner may, by rule, establish closed seasons in specified areas.

Sec. 40. Minnesota Statutes 2022, section 97C.836, is amended to read:

97C.836 LAKE SUPERIOR LAKE TROUT; EXPANDED ASSESSMENT HARVEST.

The commissioner shall provide for taking of lake trout by licensed commercial operators in Lake Superior management zones MN-3 and MN-2 for expanded assessment and sale. The commissioner shall authorize expanded assessment taking and sale of lake trout in Lake Superior

management zone MN-3 beginning annually in 2007 and zone MN-2 beginning annually in 2010. Total assessment taking and sale may not exceed 3,000 lake trout in zone MN-3 and 2,000 lake trout in zone MN-2 and may be reduced when necessary to protect the lake trout population or to manage the effects of invasive species or fish disease. Taking lake trout for expanded assessment and sale shall be allowed from June 1 ~~to~~ through September 30, but may end earlier in the respective zones if the quotas are reached. The quotas must be reassessed at the expiration of the current ten-year Fisheries Management Plan for the Minnesota Waters of Lake Superior.

Sec. 41. Minnesota Statutes 2022, section 103G.005, is amended by adding a subdivision to read:

Subd. 9c. **Ecosystem harm.** "Ecosystem harm" means to change the biological community and ecology in a manner that results in loss of ecological structure or function.

Sec. 42. Minnesota Statutes 2022, section 103G.005, is amended by adding a subdivision to read:

Subd. 13b. **Negative impact to surface waters.** "Negative impact to surface waters" means a change in hydrology sufficient to cause aquatic ecosystem harm or alter riparian uses long term.

Sec. 43. Minnesota Statutes 2022, section 103G.005, is amended by adding a subdivision to read:

Subd. 15i. **Sustainable diversion limit.** "Sustainable diversion limit" means a maximum amount of water that can be removed directly or indirectly from a surface water body in a defined geographic area on a monthly or annual basis without causing a negative impact to the surface water body.

Sec. 44. **[103G.134] ORDERS AND INVESTIGATIONS.**

(a) The commissioner has the following powers and duties when acting pursuant to the enforcement provisions of this chapter:

(1) to adopt, issue, reissue, modify, deny, revoke, enter into, or enforce reasonable orders, schedules of compliance, and stipulation agreements;

(2) to issue notices of violation;

(3) to require a person holding a permit issued under this chapter or otherwise impacting the public waters of the state without a permit issued under this chapter to:

(i) make reports;

(ii) install, use, and maintain monitoring equipment or methods;

(iii) perform tests according to methods, at locations, at intervals, and in a manner as the commissioner prescribes; and

(iv) provide other information as the commissioner may reasonably require; and

(4) to conduct investigations; issue notices, public and otherwise; and order hearings as the commissioner deems necessary or advisable to discharge duties under this chapter, including but not limited to issuing permits and authorizing an employee or agent appointed by the commissioner to conduct the investigations and other authorities cited in this section.

Sec. 45. **[103G.146] DUTY OF CANDOR.**

(a) A person must not knowingly:

(1) make a false statement of fact or fail to correct a false statement of material fact regarding any matter pertaining to this chapter;

(2) fail to disclose information that the person knows is necessary for the commissioner to make an informed decision under this chapter; or

(3) offer information that the person knows to be false.

(b) If a person has offered material information to the commissioner and the person comes to know the information is false, the person must take reasonable remedial measures to provide the accurate information.

Sec. 46. Minnesota Statutes 2022, section 103G.287, subdivision 2, is amended to read:

Subd. 2. Relationship to surface water resources. ~~Groundwater appropriations that will have negative impacts to surface waters are subject to applicable provisions in section 103G.285 may be authorized only if they avoid known negative impacts to surface waters. If the commissioner determines that groundwater appropriations are having a negative impact to surface waters, the commissioner may use a sustainable diversion limit or other relevant method, tools, or information to implement measures so that groundwater appropriations do not negatively impact the surface waters.~~

Sec. 47. Minnesota Statutes 2022, section 103G.299, subdivision 1, is amended to read:

Subdivision 1. Authority to issue administrative penalty orders. (a) As provided in paragraph (b), the commissioner may issue an order requiring violations to be corrected and administratively assessing monetary penalties for violations of sections 103G.271 and 103G.275, and any rules adopted under those sections.

(b) An order under this section may be issued to a person for water appropriation activities without a required permit or for violating the terms of a required permit.

(c) The order must be issued as provided in this section and in accordance with the plan prepared under subdivision 12.

Sec. 48. Minnesota Statutes 2022, section 103G.299, subdivision 2, is amended to read:

Subd. 2. Amount of penalty; considerations. (a) The commissioner may issue orders assessing administrative penalties ~~based on potential for harm and deviation from compliance. For a violation that presents:~~ up to \$40,000.

~~(1) a minor potential for harm and deviation from compliance, the penalty will be no more than \$1,000;~~

~~(2) a moderate potential for harm and deviation from compliance, the penalty will be no more than \$10,000; and~~

~~(3) a severe potential for harm and deviation from compliance, the penalty will be no more than \$20,000.~~

(b) In determining the amount of a penalty the commissioner may consider:

(1) the gravity of the violation, including potential for, or real, damage to the public interest or natural resources of the state;

(2) the history of past violations;

(3) the number of violations;

(4) the economic benefit gained by the person by allowing or committing the violation based on data from local or state bureaus or educational institutions; and

(5) other factors as justice may require, if the commissioner specifically identifies the additional factors in the commissioner's order.

(c) For a violation after an initial violation, including a continuation of the initial violation, the commissioner must, in determining the amount of a penalty, consider the factors in paragraph (b) and the:

(1) similarity of the most recent previous violation and the violation to be penalized;

(2) time elapsed since the last violation;

(3) number of previous violations; and

(4) response of the person to the most recent previous violation identified.

Sec. 49. Minnesota Statutes 2022, section 103G.299, subdivision 5, is amended to read:

Subd. 5. **Penalty.** (a) Except as provided in paragraph (b), if the commissioner determines that the violation has been corrected or appropriate steps have been taken to correct the action, the penalty must be forgiven. Unless the person requests review of the order under subdivision 6 or 7 before the penalty is due, the penalty in the order is due and payable:

(1) on the 31st day after the order was received, if the person subject to the order fails to provide information to the commissioner showing that the violation has been corrected or that appropriate steps have been taken toward correcting the violation; or

(2) on the 20th day after the person receives the commissioner's determination under subdivision 4, paragraph (c), if the person subject to the order has provided information to the commissioner

that the commissioner determines is not sufficient to show that the violation has been corrected or that appropriate steps have been taken toward correcting the violation.

(b) For repeated or serious violations, the commissioner may issue an order with a penalty that is not forgiven after the corrective action is taken. The penalty is due ~~by~~ 31 days after the order ~~was~~ is received, unless review of the order under subdivision 6 or 7 ~~has been~~ is sought.

(c) Interest at the rate established in section 549.09 begins to accrue on penalties under this subdivision on the 31st day after the order with the penalty ~~was~~ is received.

Sec. 50. Minnesota Statutes 2022, section 103G.299, subdivision 10, is amended to read:

Subd. 10. **Cumulative remedy.** The authority of the commissioner to issue a corrective order assessing penalties is in addition to other remedies available under statutory or common law, ~~except that the state may not seek civil penalties under any other provision of law for the violations covered by the administrative penalty order.~~ The payment of a penalty does not preclude the use of other enforcement provisions, ~~under which penalties are not assessed,~~ in connection with the violation for which the penalty was assessed.

Sec. 51. [103G.299] PENALTIES; ENFORCEMENT.

Subdivision 1. Civil penalties. (a) The commissioner, according to section 103G.134, may issue a notice to a person who violates:

(1) this chapter;

(2) a permit issued under this chapter or a term or condition of a permit issued under this chapter;

(3) a duty under this chapter to permit an inspection, entry, or monitoring activity or a duty under this chapter to carry out an inspection or monitoring activity;

(4) a rule adopted under this chapter;

(5) a stipulation agreement, variance, or schedule of compliance entered into under this chapter;

or

(6) an order issued by the commissioner under this chapter.

(b) A person issued a notice forfeits and must pay to the state a penalty, in an amount to be determined by the district court, of not more than \$10,000 per day of violation.

(c) In the discretion of the district court, a defendant under this section may be required to:

(1) forfeit and pay to the state a sum that adequately compensates the state for the reasonable value of restoration, monitoring, and other expenses directly resulting from the unauthorized use of or damage to natural resources of the state; and

(2) forfeit and pay to the state an additional sum to constitute just compensation for any damage, loss, or destruction of the state's natural resources and for other actual damages to the state caused by an unauthorized use of natural resources of the state.

(d) As a defense to damages assessed under paragraph (c), a defendant may prove that the violation was caused solely by:

- (1) an act of God;
- (2) an act of war;
- (3) negligence on the part of the state;
- (4) an act or failure to act that constitutes sabotage or vandalism; or
- (5) any combination of clauses (1) to (5).

(e) The civil penalties and damages provided for in this subdivision may be recovered by a civil action brought by the attorney general in the name of the state in Ramsey County District Court. Civil penalties and damages provided for in this subdivision may be resolved by the commissioner through a negotiated stipulation agreement according to the authority granted to the commissioner in section 103G.134.

Subd. 2. **Enforcement.** This chapter and rules, standards, orders, stipulation agreements, schedules of compliance, and permits adopted or issued by the commissioner under this chapter or any other law for preventing, controlling, or abating damage to natural resources may be enforced by one or more of the following:

- (1) criminal prosecution;
- (2) action to recover civil penalties;
- (3) injunction;
- (4) action to compel performance; or
- (5) other appropriate action according to this chapter.

Subd. 3. **Injunctions.** A violation of this chapter or rules, standards, orders, stipulation agreements, variances, schedules of compliance, and permits adopted or issued under this chapter constitutes a public nuisance and may be enjoined as provided by law in an action, in the name of the state, brought by the attorney general.

Subd. 4. **Actions to compel performance.** (a) In an action to compel performance of an order issued by the commissioner for any purpose related to preventing, controlling, or abating damage to natural resources under this chapter, the court may require a defendant adjudged responsible to do and perform any and all acts set forth in the commissioner's order and all things within the defendant's power that are reasonably necessary to accomplish the purposes of the order.

(b) If a municipality or its governing or managing body or any of its officers is a defendant, the court may require the municipality to exercise its powers, without regard to any limitation of a requirement for an election or referendum imposed thereon by law and without restricting the powers of the commissioner, to do any or all of the following, without limiting the generality hereof:

- (1) levy taxes or special assessments;
 - (2) prescribe service or use charges;
 - (3) borrow money;
 - (4) issue bonds;
 - (5) employ assistance;
 - (6) acquire real or personal property;
 - (7) let contracts;
 - (8) otherwise provide for doing work or constructing, installing, maintaining, or operating facilities; and
 - (9) do all acts and things reasonably necessary to accomplish the purposes of the commissioner's order.
- (c) The court must grant a municipality under paragraph (b) the opportunity to determine the appropriate financial alternatives to be used to comply with the court-imposed requirements.
- (d) An action brought under this subdivision must be venued in Ramsey County District Court.

Sec. 52. Minnesota Statutes 2022, section 103G.301, subdivision 6, is amended to read:

Subd. 6. **Filing application.** An application for a permit must be filed with the commissioner ~~and~~. If the proposed activity for which the permit is requested is within a municipality, ~~or~~ is within or affects a watershed district or a soil and water conservation district, or is within the boundaries of a reservation or Tribal community of a federally recognized Indian Tribe in Minnesota, a copy of the application with maps, plans, and specifications must be served on the mayor of the municipality, the secretary of the board of managers of the watershed district, ~~and~~ the secretary of the board of supervisors of the soil and water conservation district, or the Tribal chair of the federally recognized Indian Tribe, as applicable. For purposes of this section, "federally recognized Indian Tribe" means the Minnesota Tribal governments listed in section 10.65, subdivision 2.

Sec. 53. Minnesota Statutes 2022, section 103G.301, subdivision 7, is amended to read:

Subd. 7. **Recommendation of local units of government and federally recognized Indian Tribes.** (a) If the proposed activity for which the permit is requested is within a municipality, or is within or affects a watershed district or a soil and water conservation district, the commissioner may obtain a written recommendation of the managers of the district and the board of supervisors of the soil and water conservation district or the mayor of the municipality before issuing or denying the permit.

(b) The managers, supervisors, or mayor must file a recommendation within 30 days after receiving of a copy of the application for permit.

(c) If the proposed activity for which the permit is requested is within the boundaries of a reservation or Tribal community of a federally recognized Indian Tribe in Minnesota, the federally recognized Indian Tribe may:

(1) submit recommendations to the commissioner within 30 days of receiving the application;
or

(2) request Tribal consultation according to section 10.65 within 30 days of receiving the application.

(d) If Tribal consultation is requested under paragraph (c), clause (2), a permit application is not complete until after the consultation occurs or 90 days after the request for consultation is made, whichever is sooner.

Sec. 54. Minnesota Statutes 2022, section 115.061, is amended to read:

115.061 DUTY TO NOTIFY; AVOIDING WATER POLLUTION.

(a) Except as provided in paragraph (b), it is the duty of every person to notify the agency immediately of the discharge, accidental or otherwise, of any substance or material under its control which, if not recovered, may cause pollution of waters of the state, and the responsible person shall recover as rapidly and as thoroughly as possible such substance or material and take immediately such other action as may be reasonably possible to minimize or abate pollution of waters of the state caused thereby.

(b) Notification is not required under paragraph (a) for a discharge of five gallons or less of petroleum, as defined in section 115C.02, subdivision 10. This paragraph does not affect the other requirements of paragraph (a).

(c) Promptly after notifying the agency of a discharge under paragraph (a), a publicly owned treatment works or a publicly or privately owned domestic sewer system owner must provide notice to the potentially impacted public and to any downstream drinking water facility that may be impacted by the discharge. Notice to the public and to any drinking water facility must be made using the most efficient communications system available to the facility owner such as in person, telephone call, radio, social media, web page, or another expedited form. In addition, signage must be posted at all impacted public use areas within the same jurisdiction or notification must be provided to the entity that has jurisdiction over any impacted public use areas. A notice under this paragraph must include the date and time of the discharge, a description of the material released, a warning of the potential public health risk, and the permittee's contact information.

(d) The agency must provide guidance that includes but is not limited to methods and protocols for providing timely notice under this section.

Sec. 55. **WATER USE PERMITS; CITY OF LAKE ELMO.**

(a) Notwithstanding any other provision of law, the commissioner of natural resources may:

(1) issue permits necessary for the city of Lake Elmo to construct and operate a new municipal water supply well; and

(2) amend existing water use permits issued to the city of Lake Elmo to increase the authorized volume of water that may be appropriated under the permits to a level consistent with the amount anticipated to be needed each year according to a water supply plan approved by the commissioner under Minnesota Statutes, section 103G.291.

(b) This section expires June 30, 2027.

Sec. 56. WHITE BEAR LAKE AREA WATER-USE PERMIT MODIFICATION MORATORIUM.

(a) Except as provided under paragraph (b), the commissioner of natural resources may not reduce the total maximum amount of groundwater use permitted under a White Bear Lake area water-use permit issued or amended before January 1, 2023.

(b) Notwithstanding paragraph (a), the commissioner of natural resources may reduce the authorized amount of groundwater use permitted or impose additional restrictions or conditions if necessary to address emergency preparedness or other public health and safety issues as determined by the commissioner.

(c) For the purposes of this section, "White Bear Lake area water-use permit" means a water-use permit authorizing the use of groundwater from one or more wells located wholly or partially within a five-mile radius of White Bear Lake.

(d) This section expires June 30, 2027.

Sec. 57. REGISTRATION DECAL FORMAT TRANSITION.

Separately displaying registration numbers is not required when a larger-format registration decal as provided under Minnesota Statutes, section 84.82, subdivision 2, is displayed according to Minnesota Statutes, section 84.82, subdivision 3b. Snowmobiles displaying valid but older, smaller-format registration decals must display the separate registration numbers. Persons may obtain duplicate registration decals in the new, larger format, when available, without being required to display the separate registration numbers.

Sec. 58. REVISOR INSTRUCTION.

The revisor of statutes must renumber the subdivisions of Minnesota Statutes, section 103G.005, listed in column A to the references listed in column B. The revisor must make necessary cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the renumbering:

Column A

subdivision 9b

subdivision 13a

subdivision 15h

Column B

subdivision 9d

subdivision 13c

subdivision 15j

Sec. 59. REPEALER.

(a) Minnesota Statutes 2022, section 97C.055, is repealed.

(b) Minnesota Rules, parts 6100.5000, subparts 3, 4, and 5; and 6100.5700, subpart 4, are repealed."

Delete the title and insert:

"A bill for an act relating to state government; modifying environment and natural resources laws; modifying forestry laws; modifying game and fish laws; modifying water law; requiring reports; making technical corrections; amending Minnesota Statutes 2022, sections 84.788, subdivision 5; 84.82, subdivision 2, by adding a subdivision; 84.821, subdivision 2; 84.84; 84.86, subdivision 1; 84.87, subdivision 1; 84.922, subdivision 4; 84.992, subdivisions 2, 5; 85.015, subdivision 10; 85.052, subdivision 6; 89A.11; 90.181, subdivision 2; 97A.015, subdivision 51; 97A.031; 97A.126; 97A.137, subdivisions 3, 5; 97A.401, subdivision 1, by adding a subdivision; 97A.405, subdivision 5; 97A.421, subdivision 3; 97B.031, subdivision 1; 97B.071; 97B.301, subdivisions 2, 6; 97B.318, subdivision 1; 97B.668; 97C.041; 97C.315, subdivision 1; 97C.345, subdivision 1; 97C.371, subdivisions 1, 2, 4; 97C.395, subdivision 1; 97C.601, subdivision 1; 97C.836; 103G.005, by adding subdivisions; 103G.287, subdivision 2; 103G.299, subdivisions 1, 2, 5, 10; 103G.301, subdivisions 6, 7; 115.061; proposing coding for new law in Minnesota Statutes, chapters 11A; 97C; 103G; repealing Minnesota Statutes 2022, section 97C.055; Minnesota Rules, parts 6100.5000, subparts 3, 4, 5; 6100.5700, subpart 4."

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

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

S.F. No. 803: A bill for an act relating to public health; creating an open discussion process by which certain parties of a health care adverse incident may discuss potential outcomes; proposing coding for new law in Minnesota Statutes, chapter 145.

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

Page 1, line 14, before the period, insert "and practices at a health care facility"

Page 2, line 15, after the period, insert "The patient involved in the health care adverse incident may provide oral notice to the health care provider, the health facility involved in the health care adverse incident, or both of the patient's desire to enter into an open discussion with either the health care provider or the health care provider and health facility jointly to discuss potential outcomes following a health care adverse incident in accordance with this section."

Page 2, line 17, delete "180" and insert "365"

Page 4, line 4, before the semicolon, insert "and encourage the patient to seek legal counsel"

Page 4, line 7, before the period, insert "along with an itemized statement from the health provider showing all charges and third-party payments"

Page 4, line 17, before the semicolon, insert "except as provided in paragraph (b)"

Page 4, after line 21, insert:

"(b) A party may move the court or other decision maker in a subsequent proceeding to adjudicate the matter to admit as evidence a communication made during an open discussion that contradicts a statement made during the proceeding. The court or other decision maker shall allow a communication made during an open discussion that contradicts a statement made at a subsequent proceeding to adjudicate the matter into evidence only if the communication made during an open discussion is material to the claims presented in the subsequent proceeding."

Reletter the paragraphs in sequence

Page 5, after line 13, insert:

"Subd. 5. **Sunset.** This section expires on June 30, 2031.

Subd. 6. **Applicability.** This section applies only to health care adverse incidents that occur on or after August 1, 2023."

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

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

S.F. No. 2216: A bill for an act relating to employment; prohibiting restrictive franchise agreements; amending Minnesota Statutes 2022, section 177.27, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 181.

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

Page 2, after line 15, insert:

"(c) Any provision of an existing contract that violates paragraph (a) or (b) is void and unenforceable."

Page 2, line 17, after "shall" insert ": (1)"

Page 2, line 19, delete the period and insert "; or"

Page 2, after line 19, insert:

"(2) sign a memorandum of understanding with each franchisee that provides that any contract provisions that violate subdivision 2 in any way are void and unenforceable, and provides notice to the franchisee of their rights and obligations under this section."

Page 2, line 22, delete "and" and insert a period

Page 2, delete line 23

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

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

S.F. No. 60: A bill for an act relating to education; allowing educational data sharing with Tribal nations about Tribally enrolled or descendent students; amending Minnesota Statutes 2022, section 13.32, subdivision 3.

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

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

S.F. No. 2673: A bill for an act relating to health care; establishing requirements for hospitals to screen patients for eligibility for health coverage or assistance; requiring an affidavit of expert review before certain debt collection activities; limiting hospital charges for uninsured treatments and services for certain patients; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Page 2, line 17, after "discharge" insert "unless the occurrence of the appointment would delay discharge"

Page 2, line 18, delete "it" and insert "the occurrence of the appointment under clause (1) would delay discharge or if the hospital"

Page 2, line 19, after "discharge" insert "unless the scheduling of an appointment would delay discharge"

Page 2, line 21, after "if" insert "the scheduling of an appointment under clause (2) would delay discharge or if"

Page 2, line 31, delete "eligible" and insert "ineligible or potentially eligible"

Page 3, line 5, delete "eligible" and insert "not ineligible"

Page 4, line 12, after "2023" insert ", and applies to services and treatments provided on or after that date"

Page 4, line 15, after "patient" insert "or guarantor"

Page 4, lines 16 and 31, after "patient's" insert "or guarantor's"

Page 5, line 4, delete "sick, disabled, infirm, or so elderly so as to" and delete "render the"

Page 5, line 5, delete "patient" and after "complaint" insert "due to age, disability, or medical condition"

Page 5, line 28, after "patient's" insert "or guarantor's"

Page 5, after line 31, insert:

"Subd. 4. **Collection agency; immunity.** A collection agency, as defined in section 332.31, subdivision 3, is not required to verify the submission of an affidavit of expert review or assess the validity of an affidavit of expert review. The collection agency is not liable for a hospital's failure to comply with this section."

Page 5, line 32, after "2023" insert ", and applies to actions and referrals to third-party debt collection agencies stemming from services and treatments provided on or after that date"

Page 6, line 12, after "2023" insert ", and applies to services and treatments provided on or after that date"

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

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

S.F. No. 1089: A bill for an act relating to insurance; modifying time limitations requirements for motor vehicle insurance policies; amending Minnesota Statutes 2022, section 65B.49, by adding a subdivision.

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

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

S.F. No. 1459: A bill for an act relating to commerce; requiring sales reporting for intermediate blends of gasoline and biofuel; amending Minnesota Statutes 2022, section 239.791, subdivision 8.

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

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

S.F. No. 2827: A bill for an act relating to public safety; modifying regulation of machine guns; amending Minnesota Statutes 2022, section 609.67, subdivision 2.

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

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

S.F. No. 1116: A bill for an act relating to public safety; requiring criminal background checks for firearms transfers; modifying grounds for disqualification of transferee permit; amending Minnesota Statutes 2022, sections 624.7131; 624.7132; proposing coding for new law in Minnesota Statutes, chapter 624.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2022, section 624.7131, is amended to read:

624.7131 TRANSFEREE PERMIT; PENALTY.

Subdivision 1. **Information.** Any person may apply for a transferee permit by providing the following information in writing to the chief of police of an organized full time police department of the municipality in which the person resides or to the county sheriff if there is no such local chief of police:

(1) the name, residence, telephone number, and driver's license number or nonqualification certificate number, if any, of the proposed transferee;

(2) the sex, date of birth, height, weight, and color of eyes, and distinguishing physical characteristics, if any, of the proposed transferee;

(3) a statement that the proposed transferee authorizes the release to the local police authority of commitment information about the proposed transferee maintained by the commissioner of human services, to the extent that the information relates to the proposed transferee's eligibility to possess a pistol or semiautomatic military-style assault weapon under section 624.713, subdivision 1; and

(4) a statement by the proposed transferee that the proposed transferee is not prohibited by section 624.713 from possessing a pistol or semiautomatic military-style assault weapon.

The statements shall be signed and dated by the person applying for a permit. At the time of application, the local police authority shall provide the applicant with a dated receipt for the application. The statement under clause (3) must comply with any applicable requirements of Code of Federal Regulations, title 42, sections 2.31 to 2.35, with respect to consent to disclosure of alcohol or drug abuse patient records.

Subd. 2. **Investigation.** The chief of police or sheriff shall check criminal histories, records and warrant information relating to the applicant through the Minnesota Crime Information System, the national criminal record repository, and the National Instant Criminal Background Check System. The chief of police or sheriff shall also make a reasonable effort to check other available state and local record-keeping systems. The chief of police or sheriff shall obtain commitment information from the commissioner of human services as provided in section 245.041.

Subd. 3. **Forms.** Chiefs of police and sheriffs shall make transferee permit application forms available throughout the community. There shall be no charge for forms, reports, investigations, notifications, waivers or any other act performed or materials provided by a government employee or agency in connection with application for or issuance of a transferee permit.

Subd. 4. **Grounds for disqualification.** ~~A determination by~~ (a) The chief of police or sheriff ~~that shall refuse to grant a transferee permit if the applicant is:~~ (1) prohibited by section 624.713 state or federal law from possessing a pistol or semiautomatic military-style assault weapon shall be the only basis for refusal to grant a transferee permit; (2) determined to be a danger to self or the public when in possession of firearms under paragraph (b); or (3) listed in the criminal gang investigative data system under section 299C.091.

(b) A chief of police or sheriff shall refuse to grant a permit to a person if there exists a substantial likelihood that the applicant is a danger to self or the public when in possession of a firearm. To deny the application pursuant to paragraph (a), clause (2), the chief of police or sheriff must provide the applicant with written notification and the specific factual basis justifying the denial, including the source of the factual basis. The chief of police or sheriff must inform the applicant of the applicant's right to submit, within 20 business days, any additional documentation relating to the propriety of the denial. Upon receiving any additional documentation, the chief of police or sheriff must reconsider the denial and inform the applicant within 15 business days of the result of the reconsideration. Any denial after reconsideration must be in the same form and substance as the original denial and must specifically address any continued deficiencies in light of the additional documentation submitted by the applicant. The applicant must be informed of the right to seek de novo review of the denial as provided in subdivision 8.

(c) A person is not eligible to submit a permit application under this section if the person has had an application denied pursuant to paragraph (b) and less than six months have elapsed since the denial was issued or the person's appeal under subdivision 8 was denied, whichever is later.

(d) A chief of police or sheriff who denies a permit application pursuant to paragraph (b) must provide a copy of the notice of disqualification to the chief of police or sheriff with joint jurisdiction over the proposed transferee's residence.

Subd. 5. **Granting of permits.** (a) The chief of police or sheriff shall issue a transferee permit or deny the application within ~~seven~~ 30 days of application for the permit.

(b) In the case of a denial, the chief of police or sheriff shall provide an applicant with written notification of a denial and the specific reason for the denial.

(c) The permits and their renewal shall be granted free of charge.

Subd. 6. **Permits valid statewide.** Transferee permits issued pursuant to this section are valid statewide and shall expire after one year. A transferee permit may be renewed in the same manner and subject to the same provisions by which the original permit was obtained, except that all renewed permits must comply with the standards adopted by the commissioner under section 624.7151. Permits issued pursuant to this section are not transferable. A person who transfers a permit in violation of this subdivision is guilty of a misdemeanor.

Subd. 7. **Permit voided; revocation.** (a) The transferee permit shall be void at the time that the holder becomes prohibited from possessing or receiving a pistol under section 624.713, in which event the holder shall return the permit within five days to the issuing authority. If the chief law enforcement officer who issued the permit has knowledge that the permit holder is ineligible to possess firearms, the chief law enforcement officer must revoke the permit and give notice to the holder in writing. Failure of the holder to return the permit within the five days of learning that the permit is void or revoked is a gross misdemeanor unless the court finds that the circumstances or the physical or mental condition of the permit holder prevented the holder from complying with the return requirement.

(b) When a permit holder receives a court disposition that prohibits the permit holder from possessing a firearm, the court must take possession of the permit, if it is available, and send it to the issuing law enforcement agency. If the permit holder does not have the permit when the court

imposes a firearm prohibition, the permit holder must surrender the permit to the assigned probation officer, if applicable. When a probation officer is assigned upon disposition of the case, the court shall inform the probation agent of the permit holder's obligation to surrender the permit. Upon surrender, the probation officer must send the permit to the issuing law enforcement agency. If a probation officer is not assigned to the permit holder, the holder shall surrender the permit as provided for in paragraph (a).

Subd. 8. **Hearing upon denial.** (a) Any person aggrieved by denial of a transferee permit may appeal the denial to the district court having jurisdiction over the county or municipality in which the denial occurred. by petition to the district court having jurisdiction over the county or municipality where the application was submitted. The petition must list the applicable chief of police or sheriff as the respondent. The district court must hold a hearing at the earliest practicable date and in any event no later than 60 days following the filing of the petition for review. The court may not grant or deny any relief before the completion of the hearing. The record of the hearing must be sealed. The matter must be heard de novo without a jury.

(b) The court must issue written findings of fact and conclusions of law regarding the issues submitted by the parties. The court must issue its writ of mandamus directing that the permit be issued and order other appropriate relief unless the chief of police or sheriff establishes by clear and convincing evidence that:

(1) the applicant is disqualified from possessing a firearm under state or federal law;

(2) there exists a substantial likelihood that the applicant is a danger to self or the public when in possession of a firearm. Incidents of alleged criminal misconduct that are not investigated and documented may not be considered; or

(3) the applicant is listed in the criminal gang investigative data system under section 299C.091.

(c) If an application is denied because the proposed transferee is listed in the criminal gang investigative data system under section 299C.091, the applicant may challenge the denial, after disclosure under court supervision of the reason for that listing, based on grounds that the person:

(1) was erroneously identified as a person in the data system;

(2) was improperly included in the data system according to the criteria outlined in section 299C.091, subdivision 2, paragraph (b); or

(3) has demonstrably withdrawn from the activities and associations that led to inclusion in the data system.

Subd. 9. **Permit to carry.** A valid permit to carry issued pursuant to section 624.714 constitutes a transferee permit for the purposes of this section and ~~section~~ sections 624.7132 and 624.7134.

Subd. 10. **Transfer report not required.** A person who transfers a pistol or semiautomatic military-style assault weapon to a person exhibiting a valid transferee permit issued pursuant to this section or a valid permit to carry issued pursuant to section 624.714 is not required to file a transfer report pursuant to section 624.7132, subdivision 1.

Subd. 11. **Penalty.** A person who makes a false statement in order to obtain a transferee permit knowing or having reason to know the statement is false is guilty of a ~~gross misdemeanor~~ felony.

Subd. 12. **Local regulation.** This section shall be construed to supersede municipal or county regulation of the issuance of transferee permits.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2022, section 624.7132, is amended to read:

624.7132 REPORT OF TRANSFER.

Subdivision 1. **Required information.** Except as provided in this section and section 624.7131, every person who agrees to transfer a pistol or semiautomatic military-style assault weapon shall report the following information in writing to the chief of police of the organized full-time police department of the municipality where the proposed transferee resides or to the appropriate county sheriff if there is no such local chief of police:

(1) the name, residence, telephone number, and driver's license number or nonqualification certificate number, if any, of the proposed transferee;

(2) the sex, date of birth, height, weight, and color of eyes, and distinguishing physical characteristics, if any, of the proposed transferee;

(3) a statement that the proposed transferee authorizes the release to the local police authority of commitment information about the proposed transferee maintained by the commissioner of human services, to the extent that the information relates to the proposed transferee's eligibility to possess a pistol or semiautomatic military-style assault weapon under section 624.713, subdivision 1;

(4) a statement by the proposed transferee that the transferee is not prohibited by section 624.713 from possessing a pistol or semiautomatic military-style assault weapon; and

(5) the address of the place of business of the transferor.

The report shall be signed and dated by the transferor and the proposed transferee. The report shall be delivered by the transferor to the chief of police or sheriff no later than three days after the date of the agreement to transfer, excluding weekends and legal holidays. The statement under clause (3) must comply with any applicable requirements of Code of Federal Regulations, title 42, sections 2.31 to 2.35, with respect to consent to disclosure of alcohol or drug abuse patient records.

Subd. 2. **Investigation.** Upon receipt of a transfer report, the chief of police or sheriff shall check criminal histories, records and warrant information relating to the proposed transferee through the Minnesota Crime Information System, the national criminal record repository, and the National Instant Criminal Background Check System. The chief of police or sheriff shall also make a reasonable effort to check other available state and local record-keeping systems. The chief of police or sheriff shall obtain commitment information from the commissioner of human services as provided in section 245.041.

Subd. 3. **Notification.** The chief of police or sheriff shall notify the transferor and proposed transferee in writing as soon as possible if the chief or sheriff determines that the proposed transferee is prohibited by section 624.713 from possessing a pistol or semiautomatic military-style assault weapon. The notification to the transferee shall specify the grounds for the disqualification of the proposed transferee and shall set forth in detail the transferee's right of appeal under subdivision 13.

Subd. 4. **Delivery.** Except as otherwise provided in subdivision 7 or 8, no person shall deliver a pistol or semiautomatic military-style assault weapon to a proposed transferee until ~~five business~~ 30 days after the date the agreement to transfer is delivered to a chief of police or sheriff in accordance with subdivision 1 unless the chief of police or sheriff waives all or a portion of the ~~seven-day~~ waiting period. The chief of police or sheriff may waive all or a portion of the ~~five business day~~ waiting period in writing if the chief of police or sheriff: (1) determines the proposed transferee is not disqualified prior to the waiting period concluding; or (2) finds that the transferee requires access to a pistol or semiautomatic military-style assault weapon because of a threat to the life of the transferee or of any member of the household of the transferee. Prior to modifying the waiting period under the authority granted in clause (2), the chief of police or sheriff must first determine that the proposed transferee is not prohibited from possessing a firearm under state or federal law.

No person shall deliver a pistol or semiautomatic military-style assault weapon to a proposed transferee after receiving a written notification that the chief of police or sheriff has determined that the proposed transferee is prohibited by section 624.713 from possessing a pistol or semiautomatic military-style assault weapon.

If the transferor makes a report of transfer and receives no written notification of disqualification of the proposed transferee within ~~five~~ 30 business days after delivery of the agreement to transfer, the pistol or semiautomatic military-style assault weapon may be delivered to the transferee, unless the transferor knows the transferee is ineligible to possess a pistol or semiautomatic military-style assault weapon.

Subd. 5. **Grounds for disqualification.** ~~A determination by (a)~~ The chief of police or sheriff that shall deny an application if the proposed transferee is: (1) prohibited by ~~section 624.713 state or federal law~~ from possessing a pistol or semiautomatic military-style assault weapon shall be the sole basis for a notification of disqualification under this section; (2) determined to be a danger to self or the public when in possession of firearms under paragraph (b); or (3) listed in the criminal gang investigative data system under section 299C.091.

(b) A chief of police or sheriff shall deny an application if there exists a substantial likelihood that the proposed transferee is a danger to self or the public when in possession of a firearm. To deny the application under this paragraph, the chief of police or sheriff must provide the applicant with written notification and the specific factual basis justifying the denial, including the source of the factual basis. The chief of police or sheriff must inform the applicant of the applicant's right to submit, within 20 business days, any additional documentation relating to the propriety of the denial. Upon receiving any additional documentation, the chief of police or sheriff must reconsider the denial and inform the applicant within 15 business days of the result of the reconsideration. Any denial after reconsideration must be in the same form and substance as the original denial and must specifically address any continued deficiencies in light of the additional documentation submitted

by the applicant. The applicant must be informed of the right to seek de novo review of the denial as provided in subdivision 13.

(c) A chief of police or sheriff need not process an application under this section if the person has had an application denied pursuant to paragraph (b) and less than six months have elapsed since the denial was issued or the person's appeal under subdivision 13 was denied, whichever is later.

(d) A chief of police or sheriff who denies an application pursuant to paragraph (b) must provide a copy of the notice of disqualification to the chief of police or sheriff with joint jurisdiction over the applicant's residence.

Subd. 6. **Transferee permit.** If a chief of police or sheriff ~~determines that a transferee is not a person prohibited by section 624.713 from possessing a pistol or semiautomatic military-style assault weapon~~ does not deny a proposed transferee's application under subdivision 5, the transferee may, within 30 days after the determination, apply to that chief of police or sheriff for a transferee permit, and the permit shall be issued.

Subd. 8. **Report not required.** If the proposed transferee presents a valid transferee permit issued under section 624.7131 or a valid permit to carry issued under section 624.714, the transferor need not file a transfer report.

Subd. 9. **Number of pistols or semiautomatic military-style assault weapons.** Any number of pistols or semiautomatic military-style assault weapons may be the subject of a single transfer agreement and report to the chief of police or sheriff. Nothing in this section or section 624.7131 shall be construed to limit or restrict the number of pistols or semiautomatic military-style assault weapons a person may acquire.

Subd. 10. **Restriction on records.** Except as provided for in section 624.7134, subdivision 3, paragraph (e), if, after a determination that the transferee is not a person prohibited by section 624.713 from possessing a pistol or semiautomatic military-style assault weapon, a transferee requests that no record be maintained of the fact of who is the transferee of a pistol or semiautomatic military-style assault weapon, the chief of police or sheriff shall sign the transfer report and return it to the transferee as soon as possible. Thereafter, no government employee or agency shall maintain a record of the transfer that identifies the transferee, and the transferee shall retain the report of transfer.

Subd. 11. **Forms; cost.** Chiefs of police and sheriffs shall make transfer report forms available throughout the community. There shall be no charge for forms, reports, investigations, notifications, waivers or any other act performed or materials provided by a government employee or agency in connection with a transfer.

Subd. 12. **Exclusions.** Except as otherwise provided in section 609.66, subdivision 1f, this section shall not apply to transfers of antique firearms as curiosities or for their historical significance or value, transfers to or between federally licensed firearms dealers, transfers by order of court, involuntary transfers, transfers at death or the following transfers:

- (1) a transfer by a person other than a federally licensed firearms dealer;

(2) a loan to a prospective transferee if the loan is intended for a period of no more than one day;

(3) the delivery of a pistol or semiautomatic military-style assault weapon to a person for the purpose of repair, reconditioning or remodeling;

(4) a loan by a teacher to a student in a course designed to teach marksmanship or safety with a pistol and approved by the commissioner of natural resources;

(5) a loan between persons at a firearms collectors exhibition;

(6) a loan between persons lawfully engaged in hunting or target shooting if the loan is intended for a period of no more than 12 hours;

(7) a loan between law enforcement officers who have the power to make arrests other than citizen arrests; and

(8) a loan between employees or between the employer and an employee in a business if the employee is required to carry a pistol or semiautomatic military-style assault weapon by reason of employment and is the holder of a valid permit to carry a pistol.

Subd. 13. **Appeal.** (a) A person aggrieved by the determination of a chief of police or sheriff that the person is prohibited by section 624.713 from possessing a pistol or semiautomatic military-style assault weapon may appeal the determination as provided in this subdivision. The district court shall have jurisdiction of proceedings under this subdivision. under subdivision 5 may appeal by petition to the district court having jurisdiction over the county or municipality where the application was submitted. The petition must list the applicable chief of police or sheriff as the respondent. The district court must hold a hearing at the earliest practicable date and in any event no later than 60 days following the filing of the petition for review. The court may not grant or deny any relief before the completion of the hearing. The record of the hearing must be sealed. The matter must be heard de novo without a jury.

~~On review pursuant to this subdivision, the court shall be limited to a determination of whether the proposed transferee is a person prohibited from possessing a pistol or semiautomatic military-style assault weapon by section 624.713.~~

(b) The court must issue written findings of fact and conclusions of law regarding the issues submitted by the parties. The court must issue its writ of mandamus directing that the permit be issued and order other appropriate relief unless the chief of police or sheriff establishes by clear and convincing evidence that:

(1) the applicant is disqualified under state or federal law from possession of firearms;

(2) there exists a substantial likelihood that the applicant is a danger to self or the public when in possession of a firearm. Incidents of alleged criminal misconduct that are not investigated and documented may not be considered; or

(3) the applicant is listed in the criminal gang investigative data system under section 299C.091.

(c) If an application is denied because the proposed transferee is listed in the criminal gang investigative data system under section 299C.091, the proposed transferee may challenge the denial, after disclosure under court supervision of the reason for that listing, based on grounds that the person:

(1) was erroneously identified as a person in the data system;

(2) was improperly included in the data system according to the criteria outlined in section 299C.091, subdivision 2, paragraph (b); or

(3) has demonstrably withdrawn from the activities and associations that led to inclusion in the data system.

~~Subd. 14. **Transfer to unknown party.** (a) No person shall transfer a pistol or semiautomatic military-style assault weapon to another who is not personally known to the transferor unless the proposed transferee presents evidence of identity to the transferor.~~

~~(b) No person who is not personally known to the transferor shall become a transferee of a pistol or semiautomatic military-style assault weapon unless the person presents evidence of identity to the transferor.~~

~~(c) The evidence of identity shall contain the name, residence address, date of birth, and photograph of the proposed transferee; must be made or issued by or under the authority of the United States government, a state, a political subdivision of a state, a foreign government, a political subdivision of a foreign government, an international governmental or an international quasi-governmental organization; and must be of a type commonly accepted for the purpose of identification of individuals.~~

~~(d) A person who becomes a transferee of a pistol or semiautomatic military-style assault weapon in violation of this subdivision is guilty of a misdemeanor.~~

Subd. 15. **Penalties.** (a) Except as otherwise provided in paragraph (b), a person who does any of the following is guilty of a gross misdemeanor:

(1) transfers a pistol or semiautomatic military-style assault weapon in violation of subdivisions 1 to 13;

(2) transfers a pistol or semiautomatic military-style assault weapon to a person who has made a false statement in order to become a transferee, if the transferor knows or has reason to know the transferee has made the false statement;

(3) knowingly becomes a transferee in violation of subdivisions 1 to 13; or

(4) makes a false statement in order to become a transferee of a pistol or semiautomatic military-style assault weapon knowing or having reason to know the statement is false.

(b) A person who does either of the following is guilty of a felony:

(1) transfers a pistol or semiautomatic military-style assault weapon to a person under the age of 18 in violation of subdivisions 1 to 13; or

(2) transfers a pistol or semiautomatic military-style assault weapon to a person under the age of 18 who has made a false statement in order to become a transferee, if the transferor knows or has reason to know the transferee has made the false statement.

Subd. 16. **Local regulation.** This section shall be construed to supersede municipal or county regulation of the transfer of pistols.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 3. [624.7134] PRIVATE PARTY TRANSFERS; BACKGROUND CHECK REQUIRED.

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

(b) "Firearms dealer" means a person who is licensed by the United States Department of Justice, Bureau of Alcohol, Tobacco, Firearms and Explosives, under United States Code, title 18, section 923(a).

(c) "State or federally issued identification" means a document or card made or issued by or under the authority of the United States government or the state that contains the person's name, residence address, date of birth, and photograph and is of a type commonly accepted for the purpose of identification of individuals.

(d) "Unlicensed person" means a person who does not hold a license under United States Code, title 18, section 923(a).

Subd. 2. **Background check and evidence of identity.** An unlicensed person is prohibited from transferring a pistol or semiautomatic military-style assault weapon to any other unlicensed person, unless: (1) the transfer is made through a firearms dealer as provided for in subdivision 3; or (2) the transferee presents a valid transferee permit issued under section 624.7131 and a current state or federally issued identification.

Subd. 3. **Background check conducted by federally licensed firearms dealer.** (a) Where both parties to a prospective transfer of a pistol or semiautomatic military-style assault weapon are unlicensed persons, the transferor and transferee may appear jointly before a federally licensed firearms dealer with the firearm and request that the federally licensed firearms dealer conduct a background check on the transferee and facilitate the transfer.

(b) Except as otherwise provided in this section, a federally licensed firearms dealer who agrees to facilitate a transfer under this section shall:

(1) process the transfer as though transferring the firearm from the dealer's inventory to the transferee; and

(2) comply with all requirements of federal and state law that would apply if the firearms dealer were making the transfer, including at a minimum all background checks and record keeping

requirements. The exception to the report of transfer process in section 624.7132, subdivision 12, clause (1), does not apply to transfers completed under this subdivision.

(c) If the transferee is prohibited by federal law from purchasing or possessing the firearm or not entitled under state law to possess the firearm, neither the federally licensed firearms dealer nor the transferor shall transfer the firearm to the transferee.

(d) Notwithstanding any other law to the contrary, this section shall not prevent the transferor from:

(1) removing the firearm from the premises of the federally licensed firearms dealer, or the gun show or event where the federally licensed firearms dealer is conducting business, as applicable, while the background check is being conducted, provided that the transferor must return to the federally licensed firearms dealer with the transferee before the transfer takes place, and the federally licensed firearms dealer must take possession of the firearm in order to complete the transfer; and

(2) removing the firearm from the business premises of the federally licensed firearms dealer if the results of the background check indicate the transferee is prohibited by federal law from purchasing or possessing the firearm or not entitled under state law to possess the firearm.

(e) A transferee who consents to participate in a transfer under this subdivision is not entitled to have the transfer report returned as provided for in section 624.7132, subdivision 10.

(f) A firearms dealer may charge a reasonable fee for conducting a background check and facilitating a transfer between the transferor and transferee pursuant to this section.

Subd. 4. Record of transfer; required information. (a) Unless a transfer is made through a firearms dealer as provided for in subdivision 3, when two unlicensed persons complete the transfer of a pistol or semiautomatic military-style assault weapon, the transferor and transferee must complete a record of transfer on a form designed and made publicly available without fee for this purpose by the superintendent of the Bureau of Criminal Apprehension. Each page of the record of transfer must be signed and dated by the transferor and the transferee and contain the serial number of the pistol or semiautomatic military-style assault weapon.

(b) The record of transfer must contain the following information:

(1) a clear copy of each person's current state or federally issued identification;

(2) a clear copy of the transferee permit presented by the transferee; and

(3) a signed statement by the transferee swearing that the transferee is not currently prohibited by state or federal law from possessing a firearm.

(c) The record of transfer must also contain the following information regarding the transferred pistol or semiautomatic military-style assault weapon:

(1) the type of pistol or semiautomatic military-style assault weapon;

(2) the manufacturer, make, and model of the pistol or semiautomatic military-style assault weapon; and

(3) the pistol or semiautomatic military-style assault weapon's manufacturer-assigned serial number.

(d) Both the transferor and the transferee must retain a copy of the record of transfer and any attachments to the record of transfer for 10 years from the date of the transfer. A copy in digital form shall be acceptable for the purposes of this paragraph.

Subd. 5. **Compulsory production of a record of transfer; misdemeanor penalty.** (a) Unless a transfer was completed under subdivision 3, the transferor and transferee of a pistol or semiautomatic military-style assault weapon transferred under subdivision 4 must produce the record of transfer when a peace officer requests the record as part of a criminal investigation.

(b) A person who refuses or is unable to produce a record of transfer for a firearm transferred under this section in response to a request for production made by a peace officer pursuant to paragraph (a) is guilty of a misdemeanor. A prosecution or conviction for violation of this subdivision is not a bar to conviction of, or punishment for, any other crime committed involving the transferred firearm.

Subd. 6. **Immunity.** A person is immune to a charge of violating this section if the person presents a record of transfer that satisfies the requirements of subdivision 4.

Subd. 7. **Exclusions.** (a) This section shall not apply to the following transfers:

(1) a transfer by or to a federally licensed firearms dealer;

(2) a transfer by or to any law enforcement agency;

(3) to the extent the transferee is acting within the course and scope of employment and official duties, a transfer to:

(i) a peace officer, as defined in section 626.84, subdivision 1, paragraph (c);

(ii) a member of the United States armed forces, the National Guard, or the Reserves of the United States armed forces;

(iii) a federal law enforcement officer; or

(iv) a security guard employed by a protective agent licensed pursuant to chapter 326;

(4) a transfer between immediate family members, which for the purposes of this section means spouses, domestic partners, parents, children, siblings, grandparents, and grandchildren;

(5) a transfer to an executor, administrator, trustee, or personal representative of an estate or a trust that occurs by operation of law upon the death of the former owner of the firearm;

(6) a transfer of an antique firearm as defined in section 624.712, subdivision 3;

(7) a transfer of a curio or relic, as defined in Code of Federal Regulations, title 27, section 478.11, if the transfer is between collectors of firearms as curios or relics as defined by United States Code, title 18, section 921(a)(13), who each have in their possession a valid collector of curio and

relics license issued by the United States Department of Justice, Bureau of Alcohol, Tobacco, Firearms and Explosives;

(8) the temporary transfer of a firearm if:

(i) the transfer is necessary to prevent imminent death or great bodily harm; and

(ii) the person's possession lasts only as long as immediately necessary to prevent such imminent death or great bodily harm;

(9) transfers by or to an auctioneer who is in compliance with chapter 330 and acting in the person's official role as an auctioneer to facilitate or conduct an auction of the firearm; and

(10) a temporary transfer if the transferee's possession of the firearm following the transfer is only:

(i) at a shooting range that operates in compliance with the performance standards under chapter 87A or is a nonconforming use under section 87A.03, subdivision 2, or, if compliance is not required by the governing body of the jurisdiction, at an established shooting range operated consistently with local law in the jurisdiction;

(ii) at a lawfully organized competition involving the use of a firearm, or while participating in or practicing for a performance by an organized group that uses firearms as part of the performance;

(iii) while hunting or trapping if the hunting or trapping is legal in all places where the transferee possesses the firearm and the transferee holds all licenses or permits required for hunting or trapping;

(iv) at a lawfully organized educational or instructional course and under the direct supervision of a certified instructor, as that term is defined in section 624.714, subdivision 2a, paragraph (d); or

(v) while in the actual presence of the transferor.

(b) A transfer under this subdivision is permitted only if the transferor has no reason to believe:

(1) that the transferee is prohibited by federal law from buying or possessing firearms or not entitled under state law to possess firearms;

(2) if the transferee is under 18 years of age and is receiving the firearm under direct supervision and control of an adult, that the adult is prohibited by federal law from buying or possessing firearms or not entitled under state law to possess firearms; or

(3) that the transferee will use or intends to use the firearm in the commission of a crime.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date."

Amend the title numbers accordingly

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

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

S.F. No. 1352: A bill for an act relating to corrections; establishing the Minnesota Rehabilitation and Reinvestment Act; providing for earned incentive release and supervision abatement status; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 244.03; 244.05, subdivision 1b; proposing coding for new law in Minnesota Statutes, chapter 244.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2022, section 244.03, is amended to read:

244.03 REHABILITATIVE PROGRAMS.

Subdivision 1. **Commissioner responsibility.** (a) For individuals committed to the commissioner's authority, the commissioner shall provide appropriate mental health programs and vocational and educational programs with employment-related goals for inmates. The selection, design and implementation of programs under this section shall be the sole responsibility of the commissioner, acting within the limitations imposed by the funds appropriated for such programs. must develop, implement, and provide, as appropriate:

- (1) substance use disorder treatment programs;
- (2) sexual offender treatment programming;
- (3) domestic abuse programming;
- (4) medical and mental health services;
- (5) spiritual and faith-based programming;
- (6) culturally responsive programming;
- (7) vocational, employment and career, and educational programming; and
- (8) other rehabilitative programs.

(b) While evidence-based programs must be prioritized, selecting, designing, and implementing programs under this section are the sole responsibility of the commissioner, acting within the limitations imposed by the funds appropriated for the programs under this section.

Subd. 2. **Challenge prohibited.** No action challenging the level of expenditures for rehabilitative programs authorized under this section, nor any action challenging the selection, design, or implementation of these programs, including employee assignments, may be maintained by an inmate in any court in this state.

Subd. 3. **Disciplinary sanctions.** The commissioner may impose disciplinary sanctions upon on any inmate who refuses to participate in rehabilitative programs.

Sec. 2. Minnesota Statutes 2022, section 244.05, subdivision 1b, is amended to read:

Subd. 1b. **Supervised release; offenders inmates who commit crimes on or after August 1, 1993.** (a) Except as provided in subdivisions 4 and 5, every inmate sentenced to prison for a felony offense committed on or after August 1, 1993, shall serve a supervised release term upon completion of the inmate's term of imprisonment and any disciplinary confinement period imposed by the commissioner due to the inmate's violation of any disciplinary rule adopted by the commissioner or refusal to participate in a rehabilitative program required under section 244.03. The amount of time the inmate serves on supervised release ~~shall be~~ is equal in length to the amount of time remaining in to one-third of the inmate's fixed executed sentence after the inmate has served the term of imprisonment and any disciplinary confinement period imposed by the commissioner, less any disciplinary confinement period imposed by the commissioner and regardless of any earned incentive release credit applied toward the individual's term of imprisonment under section 244.44.

(b) No inmate who violates a disciplinary rule or refuses to participate in a rehabilitative program as required under section 244.03 shall be placed on supervised release until the inmate has served the disciplinary confinement period for that disciplinary sanction or until the inmate is discharged or released from punitive ~~segregation~~ restrictive-housing confinement, whichever is later. The imposition of a disciplinary confinement period shall be considered to be a disciplinary sanction imposed upon an inmate, and the procedure for imposing the disciplinary confinement period and the rights of the inmate in the procedure shall be those in effect for the imposition of other disciplinary sanctions at each state correctional institution.

(c) For purposes of this subdivision, "earned incentive release credit" has the meaning given in section 244.41, subdivision 7.

Sec. 3. **[244.40] MINNESOTA REHABILITATION AND REINVESTMENT ACT.**

Sections 244.40 to 244.51 may be cited as the "Minnesota Rehabilitation and Reinvestment Act."

Sec. 4. **[244.41] DEFINITIONS.**

Subdivision 1. **Scope.** For purposes of the act, the terms defined in this section have the meanings given.

Subd. 2. **Act.** "Act" means the Minnesota Rehabilitation and Reinvestment Act.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of corrections.

Subd. 4. **Correctional facility.** "Correctional facility" means a state facility under the direct operational authority of the commissioner but does not include a commissioner-licensed local detention facility.

Subd. 5. **Direct-cost per diem.** "Direct-cost per diem" means the actual nonsalary expenditures, including encumbrances as of July 31 following the end of the fiscal year, from the Department of Corrections expense budgets for food preparation; food provisions; personal support for incarcerated persons, including clothing, linen, and other personal supplies; transportation; and professional technical contracted health care services.

Subd. 6. **Earned compliance credit.** "Earned compliance credit" means a one-month reduction from the period during active supervision of the supervised release term for every two months that a supervised individual exhibits compliance with the conditions and goals of the individual's supervision plan.

Subd. 7. **Earned incentive release credit.** "Earned incentive release credit" means credit that is earned and included in calculating an incarcerated person's term of imprisonment for completing objectives established by their individualized rehabilitation plan under section 244.42.

Subd. 8. **Earned incentive release savings.** "Earned incentive release savings" means the calculation of the direct-cost per diem multiplied by the number of incarcerated days saved for the period of one fiscal year.

Subd. 9. **Executed sentence.** "Executed sentence" means the total period for which an incarcerated person is committed to the custody of the commissioner.

Subd. 10. **Incarcerated days saved.** "Incarcerated days saved" means the number of days of an incarcerated person's original term of imprisonment minus the number of actual days served, excluding days not served due to death or as a result of time earned in the challenge incarceration program under sections 244.17 to 244.173.

Subd. 11. **Incarcerated person.** "Incarcerated person" has the meaning given "inmate" in section 244.01, subdivision 2.

Subd. 12. **Supervised release.** "Supervised release" means the release of an incarcerated person according to section 244.05.

Subd. 13. **Supervised release term.** "Supervised release term" means the period equal to one-third of the individual's fixed executed sentence, less any disciplinary confinement period or punitive restrictive-housing confinement imposed under section 244.05, subdivision 1b.

Subd. 14. **Supervision abatement status.** "Supervision abatement status" means an end to active correctional supervision of a supervised individual without effect on the legal expiration date of the individual's executed sentence less any earned incentive release credit.

Subd. 15. **Term of imprisonment.** "Term of imprisonment" has the meaning given in section 244.01, subdivision 8.

Sec. 5. **[244.42] COMPREHENSIVE ASSESSMENT AND INDIVIDUALIZED REHABILITATION PLAN REQUIRED.**

Subdivision 1. **Comprehensive assessment.** (a) The commissioner must develop a comprehensive assessment process for each person who:

(1) is committed to the commissioner's custody and confined in a state correctional facility on or after January 1, 2025; and

(2) has 365 or more days remaining until the person's scheduled supervised release date or parole eligibility date.

(b) As part of the assessment process, the commissioner must take into account appropriate rehabilitative programs under section 244.03.

Subd. 2. **Individualized rehabilitation plan.** After completing the assessment process, the commissioner must ensure the development of an individualized rehabilitation plan, along with identified goals, for every person committed to the commissioner's custody. The individualized rehabilitation plan must be holistic in nature by identifying intended outcomes for addressing:

(1) the incarcerated person's needs and risk factors;

(2) the person's identified strengths; and

(3) available and needed community supports, including victim safety considerations as required under section 244.47, if applicable.

Subd. 3. **Victim input.** (a) If an individual is committed to the commissioner's custody for a crime listed in section 609.02, subdivision 16, the commissioner must make reasonable efforts to notify a victim of the opportunity to provide input during the assessment and rehabilitation plan process. Victim input may include:

(1) a summary of victim concerns relative to release;

(2) concerns related to victim safety during the committed individual's term of imprisonment;

or

(3) requests for imposing victim safety protocols as additional conditions of imprisonment or supervised release.

(b) The commissioner must consider all victim input statements when developing an individualized rehabilitation plan and establishing conditions governing confinement or release.

Subd. 4. **Transition and release plan.** For an incarcerated person with less than 365 days remaining until the person's supervised release date, the commissioner, in consultation with the incarcerated person, must develop a transition and release plan.

Subd. 5. **Scope of act.** This act is separate and distinct from other legislatively authorized release programs, including the challenge incarceration program, work release, conditional medical release, or the program for the conditional release of nonviolent controlled substance offenders.

Sec. 6. [244.43] EARNED INCENTIVE RELEASE CREDIT.

Subdivision 1. **Policy for earned incentive release credit; stakeholder consultation.** (a) To encourage and support rehabilitation when consistent with the public interest and public safety, the commissioner must establish a policy providing for earned incentive release credit as a part of the term of imprisonment. The policy must be established in consultation with the following organizations:

(1) Minnesota County Attorneys Association;

(2) Minnesota Board of Public Defense;

(3) Minnesota Association of Community Corrections Act Counties;

(4) Minnesota Indian Women's Sexual Assault Coalition;

(5) Violence Free Minnesota;

(6) Minnesota Coalition Against Sexual Assault;

(7) Minnesota Alliance on Crime;

(8) Minnesota Sheriffs' Association;

(9) Minnesota Chiefs of Police Association;

(10) Minnesota Police and Peace Officers Association; and

(11) faith-based organizations that reflect the demographics of the incarcerated population.

(b) The policy must:

(1) provide circumstances upon which an incarcerated person may receive earned incentive release credits, including participation in rehabilitative programming under section 244.03; and

(2) address circumstances where:

(i) the capacity to provide rehabilitative programming in the correctional facility is diminished but the programming is available in the community; and

(ii) the conditions under which the incarcerated person could be released to the community-based resource but remain subject to commitment to the commissioner and could be considered for earned incentive release credit.

Subd. 2. **Policy on disparities.** The commissioner must develop a policy establishing a process for assessing and addressing any systemic and programmatic gender and racial disparities that may be identified when awarding earned incentive release credits.

Sec. 7. [244.44] APPLYING EARNED INCENTIVE RELEASE CREDIT.

Earned incentive release credits are included in calculating the term of imprisonment but are not added to the person's supervised release term, the total length of which remains unchanged. The maximum amount of earned incentive release credit that can be earned and subtracted from the term of imprisonment is 17 percent of the total executed sentence. Earned credit cannot reduce the term of imprisonment to less than one-half of the incarcerated person's executed sentence. Once earned, earned incentive release credits are nonrevocable.

Sec. 8. [244.45] INELIGIBILITY FOR EARNED INCENTIVE RELEASE CREDIT.

The following individuals are ineligible for earned incentive release credit:

(1) those serving life sentences;

(2) those given indeterminate sentences for crimes committed on or before April 30, 1980; or

(3) those subject to good time under section 244.04 or similar laws.

Sec. 9. [244.46] EARNED COMPLIANCE CREDIT AND SUPERVISION ABATEMENT STATUS.

Subdivision 1. Adopting policy for earned compliance credit; supervision abatement status.

(a) The commissioner must adopt a policy providing for earned compliance credit.

(b) Except as otherwise provided in the act, once the time served on active supervision plus earned compliance credits equals the total length of the supervised release term, the commissioner must place the individual on supervision abatement status for the remainder of the supervised release term.

Subd. 2. Violating conditions of release; commissioner action. If an individual violates the conditions of release while on supervision abatement status, the commissioner may:

(1) return the individual to active supervision for the remainder of the supervised release term, with or without modifying the conditions of release; or

(2) revoke the individual's supervised release in accordance with section 244.05, subdivision 3.

Subd. 3. Supervision abatement status; requirements. A person who is placed on supervision abatement status under this section must not be required to regularly report to a supervised release agent or pay a supervision fee but must continue to:

(1) obey all laws;

(2) report any new criminal charges; and

(3) abide by section 243.1605 before seeking written authorization to relocate to another state.

Subd. 4. Applicability. This section does not apply to individuals:

(1) serving life sentences;

(2) given indeterminate sentences for crimes committed on or before April 30, 1980; or

(3) subject to good time under section 244.04 or similar laws.

Sec. 10. [244.47] VICTIM INPUT.

Subdivision 1. Notifying victim; victim input. (a) If an individual is committed to the custody of the commissioner for a crime listed in section 609.02, subdivision 16, and is eligible for earned incentive release credit, the commissioner must make reasonable efforts to notify the victim that the committed individual is eligible for earned incentive release credit.

(b) Victim input may include:

(1) a summary of victim concerns relative to eligibility of earned incentive release credit;

(2) concerns related to victim safety during the committed individual's term of imprisonment;
or

(3) requests for imposing victim safety protocols as additional conditions of imprisonment or supervised release.

Subd. 2. **Victim input statements.** The commissioner must consider victim input statements when establishing requirements governing conditions of release. The commissioner must provide the name and telephone number of the local victim agency serving the jurisdiction of release to any victim providing input on earned incentive release credit.

Sec. 11. **[244.48] VICTIM NOTIFICATION.**

Nothing in this act limits any victim notification obligations of the commissioner required by statute related to a change in custody status, committing offense, end-of-confinement review, or notification registration.

Sec. 12. **[244.49] INTERSTATE COMPACT.**

(a) This section applies to a person serving a Minnesota sentence while being supervised in another state according to the Interstate Compact for Adult Supervision.

(b) As may be allowed under section 243.1605, a person may be eligible for supervision abatement status according to the act only if they meet eligibility criteria for earned compliance credit as established under section 244.46.

Sec. 13. **[244.50] REALLOCATING EARNED INCENTIVE RELEASE SAVINGS.**

Subdivision 1. **Establishing reallocation revenue account.** The reallocation of earned incentive release savings account is established in the special revenue fund in the state treasury. Funds in the account are appropriated to the commissioner and must be expended in accordance with the allocation established in subdivision 4 after the requirements of subdivision 2 are met. Funds in the account are available until expended.

Subd. 2. **Certifying earned incentive release savings.** On or before the final closeout date of each fiscal year, the commissioner must certify to Minnesota Management and Budget the earned incentive release savings from the previous fiscal year. The commissioner must provide the detailed calculation substantiating the savings amount, including accounting-system-generated data where possible, supporting the direct-cost per diem and the incarcerated days saved.

Subd. 3. **Savings to be transferred to reallocation revenue account.** After the certification in subdivision 2 is completed, the commissioner must transfer funds from the appropriation from which the savings occurred to the reallocation revenue account according to the allocation in subdivision 4. Transfers must occur by September 1 each year.

Subd. 4. **Distributing reallocation funds.** The commissioner must distribute funds as follows:

(1) 25 percent must be transferred to the Office of Justice Programs in the Department of Public Safety for crime victim services;

(2) 25 percent must be transferred to the Community Corrections Act subsidy appropriation and to the Department of Corrections for supervised release and intensive supervision services, based upon a three-year average of the release jurisdiction of supervised releasees and intensive supervised releasees across the state;

(3) 25 percent must be transferred to the Department of Corrections for:

(i) grants to develop and invest in community-based services that support the identified needs of correctionally involved individuals or individuals at risk of becoming involved in the criminal justice system; and

(ii) sustaining the operation of evidence-based programming in state and local correctional facilities; and

(4) 25 percent must be transferred to the general fund.

Sec. 14. **[244.51] REPORTING REQUIRED.**

Subdivision 1. **Annual report required.** (a) Beginning January 15, 2026, and by January 15 each year thereafter for ten years, the commissioner must provide a report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over public safety and judiciary.

(b) For the 2026 report, the commissioner must report on implementing the requirements in this act. Starting with the 2027 report, the commissioner must report on the status of the requirements in this act for the previous fiscal year.

(c) Each report must be provided to the sitting president of the Minnesota Association of Community Corrections Act Counties and the executive directors of the Minnesota Sentencing Guidelines Commission, the Minnesota Indian Women's Sexual Assault Coalition, the Minnesota Alliance on Crime, Violence Free Minnesota, the Minnesota Coalition Against Sexual Assault, and the Minnesota County Attorneys Association.

(d) The report must include but not be limited to:

(1) a qualitative description of policy development; implementation status; identified implementation or operational challenges; strategies identified to mitigate and ensure that the act does not create or exacerbate gender, racial, and ethnic disparities; and proposed mechanisms for projecting future savings and reallocation of savings;

(2) the number of persons who were granted earned incentive release credit, the total number of days of incentive release earned, a summary of committing offenses for those persons who earned incentive release credit, a summary of earned incentive release savings, and the demographic data for all persons eligible for earned incentive release credit and the reasons and demographic data of those eligible persons for whom earned incentive release credit was unearned or denied;

(3) the number of persons who earned supervision abatement status, the total number of days of supervision abatement earned, the committing offenses for those persons granted supervision abatement status, the number of revocations for reoffense while on supervision abatement status,

and the demographic data for all persons eligible for, considered for, granted, or denied supervision abatement status and the reasons supervision abatement status was unearned or denied;

(4) the number of persons deemed ineligible to receive earned incentive release credits and supervise abatement and the demographic data for the persons; and

(5) the number of victims who submitted input, the number of referrals to local victim-serving agencies, and a summary of the kinds of victim services requested.

Subd. 2. **Soliciting feedback.** (a) The commissioner must solicit feedback on victim-related operational concerns from the Minnesota Indian Women's Sexual Assault Coalition, Minnesota Alliance on Crime, Minnesota Coalition Against Sexual Assault, and Violence Free Minnesota.

(b) The feedback should relate to applying earned incentive release credit and supervision abatement status options. A summary of the feedback from the organizations must be included in the annual report.

Subd. 3. **Evaluating earned incentive release credit and act.** The commissioner must direct the Department of Corrections' research unit to regularly evaluate earned incentive release credits and other provisions of the act. The findings must be published on the Department of Corrections' website and in the annual report.

Sec. 15. **EFFECTIVE DATE.**

Sections 1 to 14 are effective August 1, 2023."

Amend the title numbers accordingly

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

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

S.F. No. 1394: A bill for an act relating to public safety; establishing a cause of action for nonconsensual dissemination of deep fake sexual images; establishing the crime of using deep fake technology to influence an election; establishing a crime for nonconsensual dissemination of deep fake sexual images; proposing coding for new law in Minnesota Statutes, chapters 604; 609; 617.

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

Page 1, line 16, delete everything after "(1)" and insert "that is so realistic that a reasonable person would believe it depicts"

Page 1, line 17, delete "did not in fact engage in such" and after "conduct" insert "of an individual"

Page 2, line 17, delete "without the consent of" and insert "with knowledge that" and after "individual" insert "did not consent to its public dissemination"

Page 2, line 29, delete "without consent" and insert "with knowledge that the depicted individual did not consent to its public dissemination"

Page 4, line 3, delete "or"

Page 4, line 6, delete the period and insert a semicolon

Page 4, after line 6, insert:

"(8) the dissemination involves parody, satire, commentary, or criticism; or

(9) the dissemination involves works of political or newsworthy value."

Page 5, line 4, delete "which appears to authentically depict any" and insert "that is so realistic that a reasonable person would believe it depicts"

Page 6, line 13, delete everything after "(1)" and insert "that is so realistic that a reasonable person would believe it depicts"

Page 6, line 14, delete "did not in fact engage in such" and after "conduct" insert "of an individual"

Page 7, line 13, delete "or reasonably should know" and delete "does" and insert "did"

Page 8, delete subdivision 4

Page 9, line 1, delete the second "or"

Page 9, line 4, delete the period and insert a semicolon

Page 9, after line 4, insert:

"(8) the dissemination involves parody, satire, commentary, or criticism; or

(9) the dissemination involves works of political or newsworthy value."

Renumber the subdivisions in sequence

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

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

S.F. No. 1164: A bill for an act relating to human services; modifying health and human services background study consideration of juvenile court records; modifying disqualification periods; allowing a set aside for a disqualification based on conduct or convictions in an individual's juvenile record; amending Minnesota Statutes 2022, sections 245C.08, subdivision 4; 245C.15, subdivision 2, by adding a subdivision; 245C.24, subdivision 2.

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

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

S.F. No. 63: A bill for an act relating to children; preventing the use of subpoenas to gather information for out-of-state laws interfering in the use of gender-affirming health care; amending

child custody and child welfare provisions related to out-of-state laws interfering in the use of gender-affirming health care; amending provisions related to warrants, arrests, and extraditions related to out-of-state laws on gender-affirming health care; amending Minnesota Statutes 2022, sections 518D.201; 518D.204; 518D.207; 629.02; 629.05; 629.06; 629.13; 629.14; proposing coding for new law in Minnesota Statutes, chapters 260; 543.

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

Page 1, line 15, delete "548.415" and insert "543.23"

Page 1, line 17 before "because" insert "solely"

Page 2, line 23, delete "548.415" and insert "543.23"

Page 3, line 4, delete "548.415" and insert "543.23" and before the period, insert "in another state"

Page 5, line 4, delete "548.415" and insert "543.23"

Page 6, line 11, delete "or services received in this state involving" and insert "related to receiving or providing"

Page 6, line 12, delete "548.415" and insert "543.23" and after "(b)" insert ", or assisting another person in receiving or providing this care"

Page 6, line 27, delete "or services received in this state" and insert "related to receiving or providing"

Page 6, line 28, delete "involving" and delete "548.415" and insert "543.23" and after "(b)" insert ", or assisting another person in receiving or providing this care"

Page 7, line 12, delete "involving" and insert "related to receiving or providing"

Page 7, line 13, delete "548.415" and insert "543.23" and after "(b)" insert ", or assisting another person in receiving or providing this care"

Page 7, line 19, delete "or services received in this state involving" and insert "related to receiving or providing"

Page 7, line 20, delete "548.415" and insert "543.23" and after "(b)" insert ", or assisting another person in receiving or providing this care"

Page 8, line 10, delete "or services received in this state involving" and insert "related to receiving or providing"

Page 8, line 11, delete "548.415" and insert "543.23" and after "(b)" insert ", or assisting another person in receiving or providing this care"

And when so amended the bill do pass.

Senator Abeler questioned the reference thereon and, under Rule 21, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 1117: A bill for an act relating to public safety; enabling law enforcement and family members to petition a court to prohibit people from possessing firearms if they pose a significant danger to themselves or others by possessing a firearm; appropriating money; amending Minnesota Statutes 2022, section 624.713, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 624; 626.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2022, section 624.713, subdivision 1, is amended to read:

Subdivision 1. **Ineligible persons.** The following persons shall not be entitled to possess ammunition or a pistol or semiautomatic military-style assault weapon or, except for clause (1), any other firearm:

(1) a person under the age of 18 years except that a person under 18 may possess ammunition designed for use in a firearm that the person may lawfully possess and may carry or possess a pistol or semiautomatic military-style assault weapon (i) in the actual presence or under the direct supervision of the person's parent or guardian, (ii) for the purpose of military drill under the auspices of a legally recognized military organization and under competent supervision, (iii) for the purpose of instruction, competition, or target practice on a firing range approved by the chief of police or county sheriff in whose jurisdiction the range is located and under direct supervision; or (iv) if the person has successfully completed a course designed to teach marksmanship and safety with a pistol or semiautomatic military-style assault weapon and approved by the commissioner of natural resources;

(2) except as otherwise provided in clause (9), a person who has been convicted of, or adjudicated delinquent or convicted as an extended jurisdiction juvenile for committing, in this state or elsewhere, a crime of violence. For purposes of this section, crime of violence includes crimes in other states or jurisdictions which would have been crimes of violence as herein defined if they had been committed in this state;

(3) a person who is or has ever been committed in Minnesota or elsewhere by a judicial determination that the person is mentally ill, developmentally disabled, or mentally ill and dangerous to the public, as defined in section 253B.02, to a treatment facility, or who has ever been found incompetent to stand trial or not guilty by reason of mental illness, unless the person's ability to possess a firearm and ammunition has been restored under subdivision 4;

(4) a person who has been convicted in Minnesota or elsewhere of a misdemeanor or gross misdemeanor violation of chapter 152, unless three years have elapsed since the date of conviction and, during that time, the person has not been convicted of any other such violation of chapter 152 or a similar law of another state; or a person who is or has ever been committed by a judicial determination for treatment for the habitual use of a controlled substance or marijuana, as defined

in sections 152.01 and 152.02, unless the person's ability to possess a firearm and ammunition has been restored under subdivision 4;

(5) a person who has been committed to a treatment facility in Minnesota or elsewhere by a judicial determination that the person is chemically dependent as defined in section 253B.02, unless the person has completed treatment or the person's ability to possess a firearm and ammunition has been restored under subdivision 4. Property rights may not be abated but access may be restricted by the courts;

(6) a peace officer who is informally admitted to a treatment facility pursuant to section 253B.04 for chemical dependency, unless the officer possesses a certificate from the head of the treatment facility discharging or provisionally discharging the officer from the treatment facility. Property rights may not be abated but access may be restricted by the courts;

(7) a person, including a person under the jurisdiction of the juvenile court, who has been charged with committing a crime of violence and has been placed in a pretrial diversion program by the court before disposition, until the person has completed the diversion program and the charge of committing the crime of violence has been dismissed;

(8) except as otherwise provided in clause (9), a person who has been convicted in another state of committing an offense similar to the offense described in section 609.224, subdivision 3, against a family or household member or section 609.2242, subdivision 3, unless three years have elapsed since the date of conviction and, during that time, the person has not been convicted of any other violation of section 609.224, subdivision 3, or 609.2242, subdivision 3, or a similar law of another state;

(9) a person who has been convicted in this state or elsewhere of assaulting a family or household member and who was found by the court to have used a firearm in any way during commission of the assault is prohibited from possessing any type of firearm or ammunition for the period determined by the sentencing court;

(10) a person who:

(i) has been convicted in any court of a crime punishable by imprisonment for a term exceeding one year;

(ii) is a fugitive from justice as a result of having fled from any state to avoid prosecution for a crime or to avoid giving testimony in any criminal proceeding;

(iii) is an unlawful user of any controlled substance as defined in chapter 152;

(iv) has been judicially committed to a treatment facility in Minnesota or elsewhere as a person who is mentally ill, developmentally disabled, or mentally ill and dangerous to the public, as defined in section 253B.02;

(v) is an alien who is illegally or unlawfully in the United States;

(vi) has been discharged from the armed forces of the United States under dishonorable conditions;

(vii) has renounced the person's citizenship having been a citizen of the United States; or

(viii) is disqualified from possessing a firearm under United States Code, title 18, section 922(g)(8) or (9), as amended through March 1, 2014;

(11) a person who has been convicted of the following offenses at the gross misdemeanor level, unless three years have elapsed since the date of conviction and, during that time, the person has not been convicted of any other violation of these sections: section 609.229 (crimes committed for the benefit of a gang); 609.2231, subdivision 4 (assaults motivated by bias); 609.255 (false imprisonment); 609.378 (neglect or endangerment of a child); 609.582, subdivision 4 (burglary in the fourth degree); 609.665 (setting a spring gun); 609.71 (riot); or 609.749 (harassment or stalking). For purposes of this paragraph, the specified gross misdemeanor convictions include crimes committed in other states or jurisdictions which would have been gross misdemeanors if conviction occurred in this state;

(12) a person who has been convicted of a violation of section 609.224 if the court determined that the assault was against a family or household member in accordance with section 609.2242, subdivision 3 (domestic assault), unless three years have elapsed since the date of conviction and, during that time, the person has not been convicted of another violation of section 609.224 or a violation of a section listed in clause (11); ~~or~~

(13) a person who is subject to an order for protection as described in section 260C.201, subdivision 3, paragraph (d), or 518B.01, subdivision 6, paragraph (g); or

(14) a person who is subject to an extreme risk protection order as described in section 624.7172 or 624.7174.

A person who issues a certificate pursuant to this section in good faith is not liable for damages resulting or arising from the actions or misconduct with a firearm or ammunition committed by the individual who is the subject of the certificate.

The prohibition in this subdivision relating to the possession of firearms other than pistols and semiautomatic military-style assault weapons does not apply retroactively to persons who are prohibited from possessing a pistol or semiautomatic military-style assault weapon under this subdivision before August 1, 1994.

The lifetime prohibition on possessing, receiving, shipping, or transporting firearms and ammunition for persons convicted or adjudicated delinquent of a crime of violence in clause (2), applies only to offenders who are discharged from sentence or court supervision for a crime of violence on or after August 1, 1993.

For purposes of this section, "judicial determination" means a court proceeding pursuant to sections 253B.07 to 253B.09 or a comparable law from another state.

Sec. 2. [624.7171] EXTREME RISK PROTECTION ORDERS.

Subdivision 1. Definitions. (a) As used in sections 624.7171 to 624.7178, the following terms have the meanings given.

(b) "Family or household members" means:

(1) spouses and former spouses of the respondent;

(2) parents and children of the respondent;

(3) persons who are presently residing with the respondent; or

(4) a person involved in a significant romantic or sexual relationship with the respondent.

In determining whether persons are in a significant romantic or sexual relationship under clause (4), the court shall consider the length of time of the relationship; type of relationship; and frequency of interaction between the parties.

(c) "Firearm" has the meaning given in section 609.666, subdivision 1, paragraph (a).

(d) "Mental health professional" has the meaning given in section 245I.02, subdivision 27.

Subd. 2. **Court jurisdiction.** (a) An application for relief under sections 624.7172 and 624.7174 may be filed in the county of residence of the respondent except as provided for in paragraph (b). Actions under sections 624.7172 and 624.7174 shall be given docket priorities by the court.

(b) At the time of filing, a petitioner may request that the court allow the petitioner to appear virtually at all proceedings. If the court denies the petitioner's request for virtual participation, the petitioner may refile the petition in the county where the petitioner resides or is officed.

Subd. 3. **Information on petitioner's location or residence.** Upon the petitioner's request, information maintained by the court regarding the petitioner's location or residence is not accessible to the public and may be disclosed only to court personnel or law enforcement for purposes of service of process, conducting an investigation, or enforcing an order.

Subd. 4. **Generally.** (a) There shall exist an action known as a petition for an extreme risk protection order, which order shall enjoin and prohibit the respondent from possessing or purchasing firearms for as long as the order remains in effect.

(b) A petition for relief under sections 624.7171 to 624.7178 may be made by the chief law enforcement officer, the chief law enforcement officer's designee, a city or county attorney, any family or household members of the respondent, or a guardian, as defined in section 524.1-201, clause (27), of the respondent.

(c) A petition for relief shall allege that the respondent poses a significant danger of bodily harm to other persons or is at significant risk of suicide by possessing a firearm. The petition shall be accompanied by an affidavit made under oath stating specific facts and circumstances forming a basis to allege that an extreme risk protection order should be granted. The affidavit may include but is not limited to evidence showing any of the factors described in section 624.7172, subdivision 2.

(d) A petition for emergency relief under section 624.7174 shall additionally allege that the respondent presents an immediate and present danger of either bodily harm to others or of taking their life.

(e) A petition for relief must describe, to the best of the petitioner's knowledge, the types and location of any firearms believed by the petitioner to be possessed by the respondent.

(f) The court shall provide simplified forms and clerical assistance to help with the writing and filing of a petition under this section.

(g) The state court administrator shall create all forms necessary under sections 624.7171 to 624.7178.

(h) The filing fees for an extreme risk protection order under this section are waived for the petitioner and respondent. The court administrator, the sheriff of any county in this state, and other law enforcement and corrections officers shall perform their duties relating to service of process without charge to the petitioner. The court shall direct payment of the reasonable costs of service of process if served by a private process server when the sheriff or other law enforcement or corrections officer is unavailable or if service is made by publication, without requiring the petitioner to make application under section 563.01.

(i) The court shall advise the petitioner of the right to serve the respondent by alternate notice under section 624.7172, subdivision 1, paragraph (e), if the respondent is avoiding personal service by concealment or otherwise, and shall assist in the writing and filing of the affidavit.

(j) The court shall advise the petitioner of the right to request a hearing under section 624.7174. If the petitioner does not request a hearing, the court shall advise the petitioner that the respondent may request a hearing and that notice of the hearing date and time will be provided to the petitioner by mail at least five days before the hearing.

(k) Any proceeding under sections 624.7171 to 624.7178 shall be in addition to other civil or criminal remedies.

(l) All health records and other health information provided in a petition or considered as evidence in a proceeding under sections 624.7171 to 624.7178 shall be protected from public disclosure but may be provided to law enforcement agencies as described in this section.

(m) Any extreme risk protection order or subsequent extension issued under sections 624.7171 to 624.7178 shall be forwarded by the court administrator within 24 hours to the local law enforcement agency with jurisdiction over the residence of the respondent and electronically transmitted within three business days to the National Instant Criminal Background Check System. When an order expires or is terminated by the court, the court must submit a request that the order be removed from the National Instant Background Check System. Each appropriate law enforcement agency shall make available to other law enforcement officers, through a system for verification, information as to the existence and status of any extreme risk protection order issued under sections 624.7171 to 624.7178.

Subd. 5. **Mental health professionals.** When a mental health professional has a statutory duty to warn another of a client's serious threat of physically violent behavior or determines that a client presents a significant risk of suicide by possessing a firearm, the mental health professional must communicate the threat or risk to the sheriff of the county where the client resides and make a recommendation to the sheriff regarding the client's fitness to possess firearms.

Sec. 3. [624.7172] EXTREME RISK PROTECTION ORDERS ISSUED AFTER HEARING.

Subdivision 1. **Hearing.** (a) Upon receipt of the petition for an order after a hearing, the court must schedule and hold a hearing within 14 days from the date the petition was received.

(b) The court shall advise the petitioner of the right to request an emergency extreme risk protection order under section 624.7174 separately from or simultaneously with the petition under this subdivision.

(c) The petitioning agency shall be responsible for service of an extreme risk protection order issued by the court and shall further be the agency responsible for the execution of any legal process required for the seizure and storage of firearms subject to the order. Nothing in this provision limits the ability of the law enforcement agency of record from cooperating with other law enforcement entities. When a court issues an extreme risk protection order for a person who resides on Tribal territory, the chief law enforcement officer of the law enforcement agency responsible for serving the order must request the assistance and counsel of the appropriate Tribal police department prior to serving the respondent. When the petitioner is a family or household member of the respondent, the primary law enforcement agency serving the jurisdiction of residency of the respondent shall be responsible for the execution of any legal process required for the seizure and storage of firearms subject to the order.

(d) Personal service of notice for the hearing may be made upon the respondent at any time up to 48 hours prior to the time set for the hearing, provided that the respondent at the hearing may request a continuance of up to 14 days if the respondent is served less than five days prior to the hearing, which continuance shall be granted unless there are compelling reasons not to do so. If the court grants the requested continuance, and an existing emergency order under section 624.7174 will expire due to the continuance, the court shall also issue a written order continuing the emergency order pending the new time set for the hearing.

(e) If personal service cannot be made, the court may order service of the petition and any order issued under this section by alternate means. The application for alternate service must include the last known location of the respondent; the petitioner's most recent contacts with the respondent; the last known location of the respondent's employment; the names and locations of the respondent's parents, siblings, children, and other close relatives; the names and locations of other persons who are likely to know the respondent's whereabouts; and a description of efforts to locate those persons. The court shall consider the length of time the respondent's location has been unknown, the likelihood that the respondent's location will become known, the nature of the relief sought, and the nature of efforts made to locate the respondent. The court shall order service by first class mail, forwarding address requested, to any addresses where there is a reasonable possibility that mail or information will be forwarded or communicated to the respondent. The court may also order publication, within or without the state, but only if it might reasonably succeed in notifying the respondent of the proceeding. Service shall be deemed complete 14 days after mailing or 14 days after court-ordered publication.

(f) When a petitioner who is not the sheriff of the county where the respondent resides, the sheriff's designee, or a family or household member files a petition, the petitioner must provide notice of the action to the sheriff of the county where the respondent resides. When a family or

household member is the petitioner, the court must provide notice of the action to the sheriff of the county where the respondent resides.

Subd. 2. **Relief by court.** (a) At the hearing, the petitioner must prove by clear and convincing evidence that the respondent poses a significant danger to other persons or is at significant risk of suicide by possessing a firearm.

(b) In determining whether to grant the order after a hearing, the court shall consider evidence of the following, whether or not the petitioner has provided evidence of the same:

(1) a history of threats or acts of violence by the respondent directed toward another person;

(2) the history of use, attempted use, or threatened use of physical force by the respondent against another person;

(3) a violation of any court order, including but not limited to orders issued under sections 624.7171 to 624.7178 or chapter 260C or 518B;

(4) a prior arrest for a violent felony offense;

(5) a conviction or prior arrest for a violent misdemeanor offense, for a stalking offense under section 609.749, or for domestic assault under section 609.2242;

(6) a conviction for an offense of cruelty to animals under chapter 343;

(7) the unlawful and reckless use, display, or brandishing of a firearm by the respondent;

(8) suicide attempts by the respondent or a serious mental illness; and

(9) whether the respondent is named in an existing order in effect under sections 624.7171 to 624.7178 or chapter 260C or 518B, or party to a pending lawsuit, complaint, petition, or other action under sections 624.7171 to 624.7178 or chapter 518B.

(c) In determining whether to grant the order after a hearing, the court may:

(1) subpoena peace officers who have had contact with the respondent to provide written or sworn testimony regarding the officer's contacts with the respondent; and

(2) consider any other evidence that bears on whether the respondent poses a danger to others or is at risk of suicide.

(d) If the court finds there is clear and convincing evidence to issue an extreme risk protection order, the court shall issue the order prohibiting the person from possessing or purchasing a firearm for the duration of the order. The court shall inform the respondent that the respondent is prohibited from possessing or purchasing firearms and shall issue a transfer order under section 624.7175. The court shall also give notice to the county attorney's office, which may take action as it deems appropriate.

(e) The court shall determine the length of time the order is in effect, but may not set the length of time for less than six months or more than one year, subject to renewal or extension under section 624.7173.

(f) If there is no existing emergency order under section 624.7174 at the time an order is granted under this section, the court shall determine by clear and convincing evidence whether the respondent presents an immediate and present danger of bodily harm. If the court so determines, the transfer order shall include the provisions described in section 624.7175, paragraph (d).

(g) If, after a hearing, the court does not issue an order of protection, the court shall vacate any emergency extreme risk protection order currently in effect.

(h) A respondent may waive the respondent's right to contest the hearing and consent to the court's imposition of an extreme risk protection order. The court shall seal the petition filed under this section and section 624.7174 if a respondent who consents to imposition of an extreme risk protection order requests that the petition be sealed, unless the court finds that there is clear and convincing evidence that the interests of the public and public safety outweigh the disadvantages to the respondent of not sealing the petition. All extreme risk protection orders based on the respondent being a danger to others shall remain public. Extreme risk protection orders issued for respondents who are solely at risk of suicide shall not be public.

Sec. 4. [624.7173] SUBSEQUENT EXTENSIONS AND TERMINATION.

(a) Upon application by any party entitled to petition for an order under section 624.7172, and after notice to the respondent and a hearing, the court may extend the relief granted in an existing order granted after a hearing under section 624.7172. Application for an extension may be made any time within the three months before the expiration of the existing order. The court may extend the order if the court makes the same findings by clear and convincing evidence as required for granting of an initial order under section 624.7172, subdivision 2, paragraph (d). The minimum length of time of an extension is six months and the maximum length of time of an extension is one year. The court shall consider the same types of evidence as required for the initial order under section 624.7172, subdivision 2, paragraphs (b) and (c).

(b) Upon application by the respondent to an order issued under section 624.7172, the court may terminate an order after a hearing at which the respondent shall bear the burden of proving by clear and convincing evidence that the respondent does not pose a significant danger to other persons or is at significant risk of suicide by possessing a firearm. Application for termination may be made one time for every six months an order is in effect. If an order has been issued for a period of six months, the respondent may apply for termination one time.

Sec. 5. [624.7174] EMERGENCY ISSUANCE OF EXTREME RISK PROTECTION ORDER.

(a) In determining whether to grant an emergency extreme risk protection order, the court shall consider evidence of all facts identified in section 624.7172, subdivision 2, paragraphs (b) and (c).

(b) The court shall advise the petitioner of the right to request an order after a hearing under section 624.7172 separately from or simultaneously with the petition.

(c) If the court finds there is probable cause that (1) the respondent poses a significant danger of bodily harm to other persons or is at significant risk of suicide by possessing a firearm, and (2) the respondent presents an immediate and present danger of either bodily harm to others or of taking their life, the court shall issue an ex parte emergency order prohibiting the respondent from possessing or purchasing a firearm for the duration of the order. The order shall inform the respondent that the respondent is prohibited from possessing or purchasing firearms and shall issue a transfer order under section 624.7175, paragraph (d).

(d) A finding by the court that there is a basis for issuing an emergency extreme risk protection order constitutes a finding that sufficient reasons exist not to require notice under applicable court rules governing applications for ex parte relief.

(e) The emergency order shall have a fixed period of 14 days unless a hearing is set under section 624.7172 on an earlier date, in which case the order shall expire upon a judge's finding that no order is issued under section 624.7172.

(f) Except as provided in paragraph (g), the respondent shall be personally served immediately with a copy of the emergency order and a copy of the petition and, if a hearing is requested by the petitioner under section 624.7172, notice of the date set for the hearing. If the petitioner does not request a hearing under section 624.7172, an order served on a respondent under this section must include a notice advising the respondent of the right to request a hearing challenging the issuance of the emergency order, and must be accompanied by a form that can be used by the respondent to request a hearing.

(g) Service of the emergency order may be made by alternate service as provided under section 624.7172, subdivision 1, paragraph (e), provided that the petitioner files the affidavit required under that subdivision. If the petitioner does not request a hearing under section 624.7172, the petition mailed to the respondent's residence, if known, must be accompanied by the form for requesting a hearing described in paragraph (f).

Sec. 6. [624.7175] TRANSFER OF FIREARMS.

(a) Except as provided in paragraph (b), upon issuance of an extreme risk protection order, the court shall direct the respondent to transfer any firearms the person possesses as soon as reasonably practicable, but in no case later than 24 hours, to a federally licensed firearms dealer or a law enforcement agency. If the respondent elects to transfer the respondent's firearms to a law enforcement agency, the agency must accept the transfer. The transfer may be permanent or temporary. A temporary firearm transfer only entitles the receiving party to possess the firearm and does not transfer ownership or title. If the respondent makes a temporary transfer to a federally licensed firearms dealer, the dealer may charge the respondent a reasonable fee to store the firearms. If the temporary transfer is made to a law enforcement agency, the agency may not charge the respondent any storage or other associated fee. A dealer or agency may establish policies for disposal of abandoned firearms, provided these policies require that the respondent be notified prior to disposal of abandoned firearms. If a respondent permanently transfers the respondent's firearms to a law enforcement agency, the agency must compensate the respondent at fair market value and may not charge the respondent any processing or other fees.

(b) A person directed to transfer any firearms pursuant to paragraph (a) may transfer any antique firearm, as defined in United States Code, title 18, section 921, paragraph (a), clause (16), as amended, or a curio or relic as defined in Code of Federal Regulations, title 27, section 478.11, as amended, to a relative who does not live with the respondent after confirming that the relative may lawfully own or possess a firearm.

(c) The respondent must file proof of transfer as provided in this paragraph.

(1) A law enforcement agency or federally licensed firearms dealer accepting transfer of a firearm pursuant to this section shall provide proof of transfer to the respondent. The proof of transfer must specify whether the firearms were permanently or temporarily transferred and must include the name of the respondent, date of transfer, and the serial number, manufacturer, and model of all transferred firearms. If transfer is made to a federally licensed firearms dealer, the respondent shall, within two business days after being served with the order, file a copy of proof of transfer with the law enforcement agency and attest that all firearms owned or possessed at the time of the order have been transferred in accordance with this section and that the person currently does not possess any firearms. If the respondent claims not to own or possess firearms, the respondent shall file a declaration of nonpossession with the law enforcement agency attesting that, at the time of the order, the respondent neither owned nor possessed any firearms, and that the respondent currently neither owns nor possesses any firearms. If the transfer is made to a relative pursuant to paragraph (b), the relative must sign an affidavit under oath before a notary public either acknowledging that the respondent permanently transferred the respondent's antique firearms, curios, or relics to the relative or agreeing to temporarily store the respondent's antique firearms, curios, or relics until such time as the respondent is legally permitted to possess firearms. To the extent possible, the affidavit shall indicate the serial number, make, and model of all antique firearms, curios, or relics transferred by the respondent to the relative.

(2) The court shall seal affidavits, proofs of transfer, and declarations of nonpossession filed pursuant to this paragraph.

(d) If a court issues an emergency order under section 624.7174, or makes a finding of immediate and present danger under section 624.7172, subdivision 2, paragraph (f), and there is probable cause to believe the respondent possesses firearms, the court shall issue a search warrant to the local law enforcement agency to take possession of all firearms in the respondent's possession as soon as practicable. The chief law enforcement officer, or the chief's designee, shall notify the respondent of the option to voluntarily comply with the order by surrendering the respondent's firearms to law enforcement prior to execution of the search warrant. Only if the respondent refuses to voluntarily comply with the order to surrender the respondent's firearms shall the officer or officers tasked with serving the search warrant execute the warrant. The local law enforcement agency shall, upon written notice from the respondent, transfer the firearms to a federally licensed firearms dealer. Before a local law enforcement agency transfers a firearm under this paragraph, the agency shall require the federally licensed firearms dealer receiving the firearm to submit a proof of transfer that complies with the requirements for proofs of transfer established in paragraph (c). The agency shall file all proofs of transfer received by the court within two business days of the transfer. A federally licensed firearms dealer who accepts a firearm transfer pursuant to this paragraph shall comply with paragraphs (a) and (c) as if accepting transfer directly from the respondent. A law enforcement agency may establish policies for disposal of abandoned firearms, provided these policies require that the respondent be notified prior to disposal of abandoned firearms.

Sec. 7. **[624.7176] RETURN OF FIREARMS.**

Subdivision 1. **Law enforcement.** A local law enforcement agency that accepted temporary transfer of firearms under section 624.7175 shall return the firearms to the respondent after the expiration of the order, provided the respondent is not otherwise prohibited from possessing firearms under state or federal law.

Subd. 2. **Firearms dealer.** A federally licensed firearms dealer that accepted temporary transfer of firearms under section 624.7175 shall return the transferred firearms to the respondent upon request after the expiration of the order, provided the respondent is not otherwise prohibited from possessing firearms under state or federal law. A federally licensed firearms dealer returning firearms shall comply with state and federal law as though transferring a firearm from the dealer's own inventory.

Sec. 8. **[624.7177] OFFENSES.**

Subdivision 1. **False information or harassment.** A person who petitions for an extreme risk protection order under section 624.7172 or 624.7174, knowing any information in the petition to be materially false or with the intent to harass, abuse, or threaten, is guilty of a gross misdemeanor.

Subd. 2. **Violation of order.** A person who possesses a firearm and knows or should have known that the person is prohibited from doing so by an extreme risk protection order under section 624.7172 or 624.7174, or by an order of protection granted by a judge or referee pursuant to a substantially similar law of another state, is guilty of a misdemeanor and shall be prohibited from possessing firearms for a period of five years. Each extreme risk protection order granted under this chapter must contain a conspicuous notice to the respondent regarding the penalty for violation of the order.

Sec. 9. **[624.7178] LIABILITY PROTECTION.**

Subdivision 1. **Liability protection for petition.** A chief law enforcement officer, the chief law enforcement officer's designee, or a city or county attorney who, in good faith, decides not to petition for an extreme risk protection order or emergency extreme risk protection order shall be immune from criminal or civil liability.

Subd. 2. **Liability protection for storage of firearms.** A law enforcement agency shall be immune from civil or criminal liability for any damage or deterioration of firearms, ammunition, or weapons stored or transported pursuant to section 624.7175. This subdivision shall not apply if the damage or deterioration occurred as a result of recklessness, gross negligence, or intentional misconduct by the law enforcement agency.

Subd. 3. **Liability protection for harm following service of an order or execution of a search warrant.** A peace officer, law enforcement agency, and the state or a political subdivision by which a peace officer is employed has immunity from any liability, civil or criminal, for harm caused by a person who is the subject of an extreme risk protection order, a search warrant issued pursuant to section 624.7175, paragraph (d), or both, after service of the order or execution of the warrant, whichever comes first, if the peace officer acts in good faith in serving the order or executing the warrant.

Subd. 4. **Liability protection for mental health professionals.** A mental health professional who provides notice to the sheriff under section 626.7171, subdivision 5, is immune from monetary liability and no cause of action, or disciplinary action by the person's licensing board may arise against the mental health professional for disclosure of confidences to the sheriff, for failure to disclose confidences to the sheriff, or for erroneous disclosure of confidences to the sheriff in a good faith effort to warn against or take precautions against a client's violent behavior or threat of suicide.

Sec. 10. **[626.8481] EXTREME RISK PROTECTION ORDER; DEVELOPMENT OF MODEL PROCEDURES.**

By December 1, 2023, the Peace Officer Standards and Training Board, after consulting with the National Alliance on Mental Illness Minnesota, the Minnesota County Attorneys Association, the Minnesota Sheriffs' Association, the Minnesota Chiefs of Police Association, and the Minnesota Police and Peace Officers Association, shall develop model procedures and standards for the storage of firearms transferred to law enforcement under section 624.7175.

Sec. 11. **APPROPRIATION.**

\$250,000 in fiscal year 2024 and \$250,000 in fiscal year 2025 are appropriated to the commissioner of public safety from the general fund to reimburse law enforcement agencies that have paid compensation to extreme risk protection order respondents who have permanently transferred a firearm to the agency in compliance with Minnesota Statutes, section 624. 7175, or that have incurred storage-related costs for the storage of a firearm temporarily transferred to the agency under that law. The commissioner shall designate a process for agencies to apply for reimbursements under this section. Reimbursements are limited to money appropriated for this purpose.

Sec. 12. **EFFECTIVE DATE.**

Sections 1 to 9 are effective January 1, 2024, and apply to firearm permit background checks made on or after that date."

Amend the title accordingly

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

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

S.F. No. 2753: A bill for an act relating to transportation; establishing a refundable sustainable aviation fuel tax credit and related sales tax exemption; amending Minnesota Statutes 2022, sections 239.761, by adding a subdivision; 296A.01, by adding a subdivision; 296A.09, subdivision 6; 297A.68, subdivision 19; 297A.71, by adding a subdivision; 297A.75, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapter 290.

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

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

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

S.F. No. 2171: A bill for an act relating to metropolitan government; providing for redistricting of the Metropolitan Council districts; amending Minnesota Statutes 2022, section 473.123, by adding a subdivision; repealing Minnesota Statutes 2022, section 473.123, subdivision 3e.

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

Page 1, line 9, delete "MC2023-1" and insert "MC2023-2"

Page 1, line 11, delete "February 27" and insert "March 21"

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

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

S.F. No. 2983: A bill for an act relating to motor vehicles; establishing full-service deputy registrar's office in the Hennepin County North Minneapolis Service Center; amending Laws 2005, First Special Session chapter 6, article 3, section 103.

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

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

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

S.F. No. 2250: A bill for an act relating to natural resources; requiring the transfer of Upper Sioux Agency State Park; requiring a report.

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

Page 1, after line 17, insert:

"Sec. 2. APPROPRIATION.

\$1,193,000 in fiscal year 2024 is appropriated from the general fund to the commissioner of transportation for costs related to the property conveyance required under section 1, including fee purchase, property purchase, appraisals, and road and bridge demolition and related engineering. This is a onetime appropriation and is available until June 30, 2025."

Amend the title as follows:

Page 1, line 3, after "report" insert "; appropriating money"

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

Senator Champion from the Committee on Jobs and Economic Development, to which was referred

S.F. No. 2369: A bill for an act relating to tourism; modifying membership of the Explore Minnesota Tourism Council; amending Minnesota Statutes 2022, section 116U.25.

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

Delete everything after the enacting clause and insert:

"Section 1. **[116J.015] EXPIRATION OF REPORT MANDATES.**

(a) If the submission of a report by the commissioner of employment and economic development to the legislature is mandated by statute and the enabling legislation does not include a date for the submission of a final report, the mandate to submit the report expires according to this section.

(b) If the mandate requires the submission of an annual report and the mandate was enacted before January 1, 2022, the mandate expires January 1, 2024. If the mandate requires the submission of a biennial or less frequent report and the mandate was enacted before January 1, 2022, the mandate expires January 1, 2025.

(c) Any reporting mandate enacted on or after January 1, 2022, expires three years after the date of enactment if the mandate requires the submission of an annual report and expires five years after the date of enactment if the mandate requires the submission of a biennial or less frequent report unless the enacting legislation provides for a different expiration date.

(d) The commissioner shall submit to the chairs and ranking minority members of the legislative committees with jurisdiction over employment and economic development by February 15 of each year, beginning February 15, 2023, a list of all reports set to expire during the following calendar year according to this section.

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

Sec. 2. Minnesota Statutes 2022, section 116J.552, subdivision 4, is amended to read:

Subd. 4. **Development authority.** "Development authority" includes a statutory or home rule charter city, county, federally recognized Tribe, housing and redevelopment authority, economic development authority, and a port authority.

Sec. 3. Minnesota Statutes 2022, 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 2022, 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 private a participating business. Pathways projects must be matched with cash or in-kind contributions on at least a one-half-to-one ratio by a participating private business.

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

Sec. 5. Minnesota Statutes 2022, 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. 6. Minnesota Statutes 2022, section 116U.25, is amended to read:

116U.25 EXPLORE MINNESOTA TOURISM COUNCIL.

(a) The director shall be advised by the Explore Minnesota Tourism Council consisting of up to ~~28~~ 35 voting members appointed by the governor for four-year terms, including:

(1) the director of Explore Minnesota Tourism who serves as the chair;

(2) ~~eleven~~ fourteen representatives of statewide associations representing bed and breakfast establishments, golf, festivals and events, counties, convention and visitor bureaus, lodging, resorts, trails, campgrounds, restaurants, ~~and~~ craft beverage establishments, chambers of commerce, chambers of commerce for underrepresented communities, and Tribal nations;

(3) one representative from each of the tourism marketing regions of the state as designated by the office;

(4) ~~six~~ ten representatives of the tourism business representing transportation, retail, travel agencies, tour operators, travel media, ~~and~~ convention facilities, arts and culture, sports, outdoor recreation, and tourism business owners from underrepresented communities;

(5) one or more ex officio nonvoting members including at least one from the University of Minnesota Tourism Center;

(6) four legislators, two from each house, one each from the two largest political party caucuses in each house, appointed according to the rules of the respective houses; and

(7) other persons, if any, as designated from time to time by the governor.

(b) The council shall act to serve the broader interests of tourism in Minnesota by promoting activities that support, maintain, and expand the state's domestic and international travel market, thereby generating increased visitor expenditures, tax revenue, and employment.

(c) Filling of membership vacancies is as provided in section 15.059. The terms of one-half of the members shall be coterminous with the governor and the terms of the remaining one-half of the members shall end on the first Monday in January one year after the terms of the other members. Members may serve until their successors are appointed and qualify. Members are not compensated. A member may be reappointed.

(d) The council shall meet at least four times per year and at other times determined by the council.

(e) If compliance with section 13D.02 is impractical, the Explore Minnesota Tourism Council may conduct a meeting of its members by telephone or other electronic means so long as the following conditions are met:

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

(2) members of the public present at the regular meeting location of the council can hear clearly all discussion and testimony and all votes of members of the council and, if needed, receive those services required by sections 15.44 and 15.441;

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

(4) all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded.

(f) Each member of the council participating in a meeting by telephone or other electronic means is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

(g) If telephone or other electronic means is used to conduct a meeting, the council, to the extent practical, shall allow a person to monitor the meeting electronically from a remote location. The council may require the person making such a connection to pay for documented marginal costs that the council incurs as a result of the additional connection.

(h) If telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the council shall provide notice of the regular meeting location, of the fact that some members may participate by telephone or other electronic means, and of the provisions of paragraph (g). The timing and method of providing notice is governed by section 13D.04.

Sec. 7. Minnesota Statutes 2022, section 268.043, is amended to read:

268.043 DETERMINATIONS OF COVERAGE.

(a) The commissioner, upon the commissioner's own motion or upon application of a person, must determine if that person is an employer or whether services performed for it constitute employment and covered employment, or whether any compensation constitutes wages, and notify the person of the determination. The determination is final unless the person files an appeal within ~~20~~ 45 calendar days after the commissioner sends the determination by mail or electronic transmission. Proceedings on the appeal are conducted in accordance with section 268.105.

(b) No person may be initially determined an employer, or that services performed for it were in employment or covered employment, for periods more than four years before the year in which the determination is made, unless the commissioner finds that there was fraudulent action to avoid liability under this chapter.

EFFECTIVE DATE. This section is effective for determinations issued on or after May 5, 2024.

Sec. 8. Minnesota Statutes 2022, section 268.051, subdivision 6, is amended to read:

Subd. 6. **Determination of tax rate.** (a) On or before each December 15, the commissioner must notify each employer by mail or electronic transmission of the employer's tax rate, along with any additional assessments, fees, or surcharges, for the following calendar year. The determination must contain the base tax rate and the factors used in determining the employer's experience rating. Unless an appeal of the tax rate is made, the computed tax rate is final, except for fraud or recomputation required under subdivision 4 or 4a, and is the rate at which taxes must be paid. A recomputed tax rate under subdivision 4 or 4a is the rate applicable for the quarter that includes the date of acquisition and any quarter thereafter during the calendar year in which the acquisition occurred. The tax rate is not subject to collateral attack by way of claim for a credit adjustment or refund, or otherwise.

(b) If the legislature, after the sending of the determination of tax rate, changes any of the factors used to determine the rate, a new tax rate based on the new factors must be computed and sent to the employer.

(c) A review of an employer's tax rate may be obtained by the employer filing an appeal within ~~20~~ 45 calendar days from the date the determination of tax rate was sent to the employer. Proceedings on the appeal are conducted in accordance with section 268.105.

(d) The commissioner may at any time upon the commissioner's own motion correct any error in the employer's tax rate.

EFFECTIVE DATE. This section is effective for determinations issued on or after May 5, 2024.

Sec. 9. Minnesota Statutes 2022, section 268.053, subdivision 2, is amended to read:

Subd. 2. **Determination and appeal.** The commissioner must notify each nonprofit organization by mail or electronic transmission of any determination of its status as an employer with covered employment and of the effective date of any election or termination of election. The determination is final unless an appeal is filed within ~~20~~ 45 calendar days of sending the determination. Proceedings on the appeal are conducted in accordance with section 268.105.

EFFECTIVE DATE. This section is effective for determinations issued on or after May 5, 2024.

Sec. 10. Minnesota Statutes 2022, section 268.0625, subdivision 4, is amended to read:

Subd. 4. **Determination and right to hearing.** At least 30 calendar days before the commissioner notifies a licensing authority, a determination of action under this section must be sent to the licensee by mail or electronic transmission. If the licensee disputes the action, the licensee must appeal within ~~20~~ 45 calendar days after the sending of the determination to the licensee. The only issue on any appeal is whether the commissioner has complied with the requirements of this section. Proceedings on the appeal are conducted in accordance with section 268.105.

EFFECTIVE DATE. This section is effective for determinations issued on or after May 5, 2024.

Sec. 11. Minnesota Statutes 2022, section 268.063, is amended to read:

268.063 PERSONAL LIABILITY.

(a) Any officer, director, or employee of a corporation or any manager, governor, member, or employee of a limited liability company who

(1) either individually or jointly with others, have or should have had control of, supervision over, or responsibility for paying the amounts due under this chapter or section 116L.20, and

(2) knowingly fails to pay the amounts due, is personally liable for the amount due in the event the employer does not pay.

For purposes of this section, "knowingly" means that the facts demonstrate that the responsible individual used or allowed the use of corporate or company assets to pay other creditors knowing that the amounts due under this chapter were unpaid. An evil motive or intent to defraud is not necessary.

(b) Any partner of a limited liability partnership, or professional limited liability partnership, is jointly and severally liable for any amount due under this chapter or section 116L.20 in the event the employer does not pay.

(c) Any personal representative of the estate of a decedent or fiduciary who voluntarily distributes the assets without reserving a sufficient amount to pay the amount due is personally liable for the deficiency.

(d) The personal liability of any individual survives dissolution, reorganization, receivership, or assignment for the benefit of creditors. For the purposes of this section, all wages paid by the employer are considered earned from the individual determined to be personally liable.

(e) The commissioner must make a determination as to personal liability. The determination is final unless the individual found to be personally liable, within ~~20~~ 45 calendar days after sending, by mail or electronic transmission, a notice of determination, files an appeal. Proceedings on the appeal are conducted in accordance with section 268.105.

EFFECTIVE DATE. This section is effective for determinations issued on or after May 5, 2024.

Sec. 12. Minnesota Statutes 2022, section 268.064, subdivision 2, is amended to read:

Subd. 2. **Reasonable value.** The commissioner, upon the commissioner's own motion or upon application of the acquiring person, must determine the reasonable value of the organization, trade, business or assets acquired based on available information. The determination is final unless the acquiring person, within ~~20~~ 45 calendar days after being sent the determination by mail or electronic transmission, files an appeal. Proceedings on the appeal are conducted in accordance with section 268.105.

EFFECTIVE DATE. This section is effective for determinations issued on or after May 5, 2024.

Sec. 13. Minnesota Statutes 2022, section 268.065, subdivision 3, is amended to read:

Subd. 3. **Determination of liability.** The commissioner must make a determination as to the liability under this section. The determination is final unless the contractor or person found to be liable files an appeal within ~~20~~ 45 calendar days after being sent the determination by mail or electronic transmission. Proceedings on the appeal are conducted in accordance with section 268.105.

EFFECTIVE DATE. This section is effective for determinations issued on or after May 5, 2024.

Sec. 14. Minnesota Statutes 2022, section 268.07, subdivision 3a, is amended to read:

Subd. 3a. **Right of appeal.** (a) A determination or amended determination of benefit account is final unless an applicant or base period employer within ~~20~~ 45 calendar days after the sending of the determination or amended determination files an appeal. Every determination or amended determination of benefit account must contain a prominent statement indicating in clear language the consequences of not appealing. Proceedings on the appeal are conducted in accordance with section 268.105.

(b) Any applicant or base period employer may appeal from a determination or amended determination of benefit account on the issue of whether services performed constitute employment, whether the employment is covered employment, and whether money paid constitutes wages.

Sec. 15. Minnesota Statutes 2022, section 268.101, subdivision 2, is amended to read:

Subd. 2. **Determination.** (a) The commissioner must determine any issue of ineligibility raised by information required from an applicant under subdivision 1, paragraph (a) or (c), and send to the applicant and any involved employer, by mail or electronic transmission, a document titled a determination of eligibility or a determination of ineligibility, as is appropriate. The determination on an issue of ineligibility as a result of a quit or a discharge of the applicant must state the effect on the employer under section 268.047. A determination must be made in accordance with this paragraph even if a notified employer has not raised the issue of ineligibility.

(b) The commissioner must determine any issue of ineligibility raised by an employer and send to the applicant and that employer, by mail or electronic transmission, a document titled a determination of eligibility or a determination of ineligibility as is appropriate. The determination on an issue of ineligibility as a result of a quit or discharge of the applicant must state the effect on the employer under section 268.047.

If a base period employer:

(1) was not the applicant's most recent employer before the application for unemployment benefits;

(2) did not employ the applicant during the six calendar months before the application for unemployment benefits; and

(3) did not raise an issue of ineligibility as a result of a quit or discharge of the applicant within ten calendar days of notification under subdivision 1, paragraph (b);

then any exception under section 268.047, subdivisions 2 and 3, begins the Sunday two weeks following the week that the issue of ineligibility as a result of a quit or discharge of the applicant was raised by the employer.

A communication from an employer must specifically set out why the applicant should be determined ineligible for unemployment benefits for that communication to be considered to have raised an issue of ineligibility for purposes of this section. A statement of "protest" or a similar term without more information does not constitute raising an issue of ineligibility for purposes of this section.

(c) Subject to section 268.031, an issue of ineligibility is determined based upon that information required of an applicant, any information that may be obtained from an applicant or employer, and information from any other source.

(d) Regardless of the requirements of this subdivision, the commissioner is not required to send to an applicant a copy of the determination where the applicant has satisfied a period of ineligibility because of a quit or a discharge under section 268.095, subdivision 10.

(e) The department is authorized to issue a determination on an issue of ineligibility within 24 months from the establishment of a benefit account based upon information from any source, even if the issue of ineligibility was not raised by the applicant or an employer.

If an applicant obtained unemployment benefits through misrepresentation under section 268.18, subdivision 2, the department is authorized to issue a determination of ineligibility within 48 months of the establishment of the benefit account.

If the department has filed an intervention in a worker's compensation matter under section 176.361, the department is authorized to issue a determination of ineligibility within 48 months of the establishment of the benefit account.

(f) A determination of eligibility or determination of ineligibility is final unless an appeal is filed by the applicant or employer within ~~20~~ 45 calendar days after sending. The determination must contain a prominent statement indicating the consequences of not appealing. Proceedings on the appeal are conducted in accordance with section 268.105.

(g) An issue of ineligibility required to be determined under this section includes any question regarding the denial or allowing of unemployment benefits under this chapter except for issues under section 268.07. An issue of ineligibility for purposes of this section includes any question of effect on an employer under section 268.047.

EFFECTIVE DATE. This section is effective for determinations issued on or after May 5, 2024.

Sec. 16. Minnesota Statutes 2022, section 268.101, subdivision 4, is amended to read:

Subd. 4. **Amended determination.** Unless an appeal has been filed, the commissioner, on the commissioner's own motion, may reconsider a determination of eligibility or determination of ineligibility that has not become final and issue an amended determination. Any amended determination must be sent to the applicant and any involved employer by mail or electronic transmission. Any amended determination is final unless an appeal is filed by the applicant or notified employer within ~~20~~ 45 calendar days after sending. Proceedings on the appeal are conducted in accordance with section 268.105.

EFFECTIVE DATE. This section is effective for determinations issued on or after May 5, 2024.

Sec. 17. Minnesota Statutes 2022, section 268.105, subdivision 1a, is amended to read:

Subd. 1a. **Decision.** (a) After the conclusion of the hearing, upon the evidence obtained, the unemployment law judge must make written findings of fact, reasons for decision, and decision and send those, by mail or electronic transmission, to all parties. When the credibility of a witness testifying in a hearing has a significant effect on the outcome of a decision, the unemployment law judge must set out the reason for crediting or discrediting that testimony. The unemployment law judge's decision is final unless a request for reconsideration is filed under subdivision 2.

(b) If the appealing party fails to participate in the hearing, the unemployment law judge has the discretion to dismiss the appeal by summary decision. By failing to participate, the appealing

party is considered to have failed to exhaust available administrative remedies unless the appealing party files a request for reconsideration under subdivision 2 and establishes good cause for failing to participate in the hearing. Submission of a written statement does not constitute participation. The applicant must participate personally and appearance solely by a representative does not constitute participation.

(c) The unemployment law judge must issue a decision dismissing the appeal as untimely if the judge decides the appeal was not filed within ~~20~~ 45 calendar days after the sending of the determination. The unemployment law judge may dismiss the appeal by summary decision, or the judge may conduct a hearing to obtain evidence on the timeliness of the appeal.

(d) Decisions of an unemployment law judge are not precedential.

EFFECTIVE DATE. This section is effective for determinations issued on or after May 5, 2024.

Sec. 18. Minnesota Statutes 2022, section 268.105, subdivision 2, is amended to read:

Subd. 2. **Request for reconsideration.** (a) Any party, or the commissioner, may within 20 calendar days of the sending of the unemployment law judge's decision under subdivision 1a, file a request for reconsideration asking the judge to reconsider that decision.

(b) Upon a request for reconsideration having been filed, the chief unemployment law judge must send a notice, by mail or electronic transmission, to all parties that a request for reconsideration has been filed. The notice must inform the parties:

(1) that reconsideration is the procedure for the unemployment law judge to correct any factual or legal mistake in the decision, or to order an additional hearing when appropriate;

(2) of the opportunity to provide comment on the request for reconsideration, and the right under subdivision 5 to obtain a copy of any recorded testimony and exhibits offered or received into evidence at the hearing;

(3) that providing specific comments as to a perceived factual or legal mistake in the decision, or a perceived mistake in procedure during the hearing, will assist the unemployment law judge in deciding the request for reconsideration;

(4) of the right to obtain any comments and submissions provided by any other party regarding the request for reconsideration; and

(5) of the provisions of paragraph (c) regarding additional evidence.

This paragraph does not apply if paragraph (d) is applicable. Sending the notice does not mean the unemployment law judge has decided the request for reconsideration was timely filed.

(c) In deciding a request for reconsideration, the unemployment law judge must not consider any evidence that was not submitted at the hearing, except for purposes of determining whether to order an additional hearing.

The unemployment law judge must order an additional hearing if a party shows that evidence which was not submitted at the hearing:

(1) would likely change the outcome of the decision and there was good cause for not having previously submitted that evidence; or

(2) would show that the evidence that was submitted at the hearing was likely false and that the likely false evidence had an effect on the outcome of the decision.

"Good cause" for purposes of this paragraph is a reason that would have prevented a reasonable person acting with due diligence from submitting the evidence.

(d) If the party who filed the request for reconsideration failed to participate in the hearing, the unemployment law judge must issue an order setting aside the decision and ordering an additional hearing if the party who failed to participate had good cause for failing to do so. The party who failed to participate in the hearing must be informed of the requirement to show good cause for failing to participate. If the unemployment law judge determines that good cause for failure to participate has not been shown, the judge must state that in the decision issued under paragraph (f).

Submission of a written statement at the hearing does not constitute participation for purposes of this paragraph.

"Good cause" for purposes of this paragraph is a reason that would have prevented a reasonable person acting with due diligence from participating in the hearing.

(e) A request for reconsideration must be decided by the unemployment law judge who issued the decision under subdivision 1a unless that judge:

(1) is no longer employed by the department;

(2) is on an extended or indefinite leave; or

(3) has been removed from the proceedings by the chief unemployment law judge.

(f) If a request for reconsideration is timely filed, the unemployment law judge must issue:

(1) a decision affirming the findings of fact, reasons for decision, and decision issued under subdivision 1a;

(2) a decision modifying the findings of fact, reasons for decision, and decision under subdivision 1a; or

(3) an order setting aside the findings of fact, reasons for decision, and decision issued under subdivision 1a, and ordering an additional hearing.

The unemployment law judge must issue a decision dismissing the request for reconsideration as untimely if the judge decides the request for reconsideration was not filed within ~~20~~ 45 calendar days after the sending of the decision under subdivision 1a.

The unemployment law judge must send to all parties, by mail or electronic transmission, the decision or order issued under this subdivision. A decision affirming or modifying the previously issued findings of fact, reasons for decision, and decision, or a decision dismissing the request for reconsideration as untimely, is the final decision on the matter and is binding on the parties unless judicial review is sought under subdivision 7.

EFFECTIVE DATE. This section is effective for determinations issued on or after May 5, 2024.

Sec. 19. Minnesota Statutes 2022, section 268.105, subdivision 3, is amended to read:

Subd. 3. **Withdrawal of an appeal.** (a) An appeal that is pending before an unemployment law judge may be withdrawn by the appealing party, or an authorized representative of that party, by filing of a notice of withdrawal. A notice of withdrawal may be filed by mail or by electronic transmission.

(b) The appeal must, by order, be dismissed if a notice of withdrawal is filed, unless an unemployment law judge directs that further proceedings are required for a proper result. An order of dismissal issued as a result of a notice of withdrawal is not subject to reconsideration or appeal.

(c) A party may file a new appeal after the order of dismissal, but the original ~~20~~ 45-calendar-day period for appeal begins from the date of issuance of the determination and that time period is not suspended or restarted by the notice of withdrawal and order of dismissal. The new appeal may only be filed by mail or facsimile transmission.

(d) For purposes of this subdivision, "appeals" includes a request for reconsideration filed under subdivision 2.

EFFECTIVE DATE. This section is effective for determinations issued on or after May 5, 2024.

Sec. 20. Minnesota Statutes 2022, section 268.105, subdivision 7, is amended to read:

Subd. 7. **Judicial review.** (a) The Minnesota Court of Appeals must, by writ of certiorari to the department, review the unemployment law judge's decision on reconsideration, provided a petition for the writ is filed with the court and a copy is served upon the unemployment law judge or the commissioner and any other party within ~~30~~ 45 calendar days of the sending of the unemployment law judge's decision on reconsideration under subdivision 2. Three days are added to the ~~30~~ 45-calendar-day period if the decision on reconsideration was mailed to the parties.

(b) Any employer petitioning for a writ of certiorari must pay to the court the required filing fee in accordance with the Rules of Civil Appellate Procedure. If the employer requests a written transcript of the testimony received at the hearing conducted under subdivision 1, the employer must pay to the department the cost of preparing the transcript. That money is credited to the administration account.

(c) Upon issuance by the Minnesota Court of Appeals of a writ of certiorari as a result of an applicant's petition, the department must furnish to the applicant at no cost a written transcript of any testimony received at the hearing conducted under subdivision 1, and, if requested, a copy of

all exhibits entered into evidence. No filing fee or cost bond is required of an applicant petitioning the Minnesota Court of Appeals for a writ of certiorari.

(d) The Minnesota Court of Appeals may affirm the decision of the unemployment law judge or remand the case for further proceedings; or it may reverse or modify the decision if the substantial rights of the petitioner may have been prejudiced because the findings, inferences, conclusion, or decision are:

- (1) in violation of constitutional provisions;
- (2) in excess of the statutory authority or jurisdiction of the department;
- (3) made upon unlawful procedure;
- (4) affected by other error of law;
- (5) unsupported by substantial evidence in view of the hearing record as submitted; or
- (6) arbitrary or capricious.

(e) The department is the primary responding party to any judicial action involving an unemployment law judge's decision. The department may be represented by an attorney licensed to practice law in Minnesota who is an employee of the department.

EFFECTIVE DATE. This section is effective for determinations issued on or after May 5, 2024.

Sec. 21. Minnesota Statutes 2022, section 268.18, subdivision 2, is amended to read:

Subd. 2. **Overpayment because of misrepresentation.** (a) An applicant has committed misrepresentation if the applicant is overpaid unemployment benefits by making a false statement or representation without a good faith belief as to the correctness of the statement or representation.

After the discovery of facts indicating misrepresentation, the commissioner must issue a determination of overpayment penalty assessing a penalty equal to 40 percent of the amount overpaid. This penalty is in addition to penalties under section 268.183.

(b) Unless the applicant files an appeal within ~~20~~ 45 calendar days after the sending of a determination of overpayment penalty to the applicant by mail or electronic transmission, the determination is final. Proceedings on the appeal are conducted in accordance with section 268.105.

(c) A determination of overpayment penalty must state the methods of collection the commissioner may use to recover the overpayment, penalty, and interest assessed. Money received in repayment of overpaid unemployment benefits, penalties, and interest is first applied to the benefits overpaid, then to the penalty amount due, then to any interest due. 62.5 percent of the payments made toward the penalty are credited to the contingent account and 37.5 percent credited to the trust fund.

(d) The department is authorized to issue a determination of overpayment penalty under this subdivision within 48 months of the establishment of the benefit account upon which the unemployment benefits were obtained through misrepresentation.

EFFECTIVE DATE. This section is effective for determinations issued on or after May 5, 2024.

Sec. 22. Minnesota Statutes 2022, section 268.183, is amended to read:

268.183 APPLICANT ADMINISTRATIVE PENALTIES.

(a) Any applicant who makes a false statement or representation without a good faith belief as to the correctness of the statement or representation, in order to obtain or in an attempt to obtain unemployment benefits may be assessed, in addition to any other penalties, an administrative penalty of being ineligible for unemployment benefits for 13 to 104 weeks.

(b) A determination of ineligibility setting out the weeks the applicant is ineligible must be sent to the applicant by mail or electronic transmission. The department is authorized to issue a determination of ineligibility under this subdivision within 48 months of the establishment of the benefit account upon which the unemployment benefits were obtained, or attempted to be obtained. Unless an appeal is filed within ~~20~~ 45 calendar days of sending, the determination is final. Proceedings on the appeal are conducted in accordance with section 268.105.

EFFECTIVE DATE. This section is effective for determinations issued on or after May 5, 2024.

Sec. 23. Minnesota Statutes 2022, section 268.184, subdivision 1, is amended to read:

Subdivision 1. **Misrepresentation; administrative penalties.** (a) The commissioner must penalize an employer if that employer or any employee, officer, or agent of that employer made a false statement or representation without a good faith belief as to correctness of the statement or representation or knowingly failed to disclose a material fact in order to:

- (1) assist an applicant to receive unemployment benefits to which the applicant is not entitled;
- (2) prevent or reduce the payment of unemployment benefits to an applicant; or
- (3) avoid or reduce any payment required from an employer under this chapter or section 116L.20.

The penalty is the greater of \$500 or 50 percent of the following resulting from the employer's action:

- (i) the amount of any overpaid unemployment benefits to an applicant;
- (ii) the amount of unemployment benefits not paid to an applicant that would otherwise have been paid; or
- (iii) the amount of any payment required from the employer under this chapter or section 116L.20 that was not paid.

(b) The commissioner must penalize an employer if that employer failed or refused to honor a subpoena issued under section 268.188. The penalty is \$500 and any costs of enforcing the subpoena, including attorney fees.

(c) Penalties under this subdivision and under section 268.047, subdivision 4, paragraph (b), are in addition to any other penalties and subject to the same collection procedures that apply to past due taxes. Penalties must be paid within 30 calendar days of issuance of the determination of penalty and credited to the trust fund.

(d) The determination of penalty is final unless the employer files an appeal within ~~20~~ 45 calendar days after the sending of the determination of penalty to the employer by mail or electronic transmission. Proceedings on the appeal are conducted in accordance with section 268.105.

EFFECTIVE DATE. This section is effective for determinations issued on or after May 5, 2024.

Sec. 24. Minnesota Statutes 2022, section 268.184, subdivision 1a, is amended to read:

Subd. 1a. **Notification and misreporting penalties.** (a) If the commissioner finds that any employer or agent of an employer failed to meet the notification requirements of section 268.051, subdivision 4, the employer must be assessed a penalty of \$5,000 or two percent of the first full quarterly payroll acquired, whichever is higher. Payroll is wages paid as defined in section 268.035, subdivision 30. The penalty under this paragraph must be canceled if the commissioner determines that the failure occurred because of ignorance or inadvertence.

(b) If the commissioner finds that any individual advised an employer to violate the employer's notification requirements under section 268.051, subdivision 4, the individual, and that individual's employer, must each be assessed the penalty in paragraph (a).

(c) If the commissioner finds that any person or agent of a person violated the reporting requirements of section 268.046, the person must be assessed a penalty of \$5,000 or two percent of the quarterly payroll reported in violation of section 268.046, whichever is higher. Payroll is wages paid as defined in section 268.035, subdivision 30.

(d) Penalties under this subdivision are in addition to any other penalties and subject to the same collection procedures that apply to past due amounts from an employer. Penalties must be paid within 30 calendar days after sending of the determination of penalty and credited to the trust fund.

(e) The determination of penalty is final unless the person assessed files an appeal within ~~20~~ 45 calendar days after sending of the determination of penalty by mail or electronic transmission. Proceedings on the appeal are conducted in accordance with section 268.105.

EFFECTIVE DATE. This section is effective for determinations issued on or after May 5, 2024.

Sec. 25. **[298.2216] GIANTS RIDGE ACCOUNT.**

Subdivision 1. Account established. The Giants Ridge account is established in the state treasury. The account consists of appropriations made by the state or funds dedicated by the Department of

Iron Range Resources and Rehabilitation. The account may also receive private contributions, gifts, or grants under section 16A.013. Any interest or profit accruing from investment of these sums is credited to the account.

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

(b) "Commissioner" means the commissioner of Iron Range resources and rehabilitation.

(c) "Income" means the amount of interest or profit accruing from the investment of account funds.

(d) "Long-term maintenance" means activities that would constitute substantial repairs or rehabilitation.

(e) "Routine maintenance" means activities that are predictable and repetitive.

Subd. 3. **Use of funds.** (a) Income derived from the investment of principal in the account may be used by the commissioner for capital expenditures, facility operations, or routine or long-term maintenance of the commercial, state-owned assets within the Giants Ridge Recreation Area. No money from this account may be used for any purposes except those described in this section and no money from this account may be transferred to any other account in the state treasury without specific legislative authorization.

(b) Investment management fees incurred by the State Board of Investment are eligible expenses for reimbursement from the account.

(c) The commissioner has authority to approve or deny expenditures of funds in the account.

Subd. 4. **Appropriation.** Income in the account derived from the investment of principal is appropriated upon request by the commissioner to the agency for the purposes described in this section. The commissioner may also request appropriations from the principal for capital expenditures when the commissioner determines such expenditures are in the best interest of the agency.

Subd. 5. **Investment.** Funds in the account shall be invested pursuant to law by the State Board of Investment.

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

Sec. 26. **DEPARTMENT OF IRON RANGE RESOURCES AND REHABILITATION; AUTHORIZATION OF SEPARATION AND RETENTION INCENTIVE PROGRAMS.**

The commissioner of Iron Range resources and rehabilitation may provide separation and retention incentive programs for employees of the agency that are consistent with the provisions of Laws 2009, chapter 78, article 7, section 2, as amended by Laws 2010, chapters 215, article 9, section 2, and 216, section 53. The cost of such incentives are payable solely by funds made available to the commissioner of Iron Range resources and rehabilitation under Minnesota Statutes, chapter 298. Employees must not be required to participate in the programs. This section expires December 31, 2024.

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

Delete the title and insert:

"A bill for an act relating to economic development; modifying economic development policy provisions; creating an account; modifying unemployment appeal periods; amending Minnesota Statutes 2022, sections 116J.552, subdivisions 4, 6; 116L.04, subdivision 1a; 116L.17, subdivision 1; 116U.25; 268.043; 268.051, subdivision 6; 268.053, subdivision 2; 268.0625, subdivision 4; 268.063; 268.064, subdivision 2; 268.065, subdivision 3; 268.07, subdivision 3a; 268.101, subdivisions 2, 4; 268.105, subdivisions 1a, 2, 3, 7; 268.18, subdivision 2; 268.183; 268.184, subdivisions 1, 1a; proposing coding for new law in Minnesota Statutes, chapters 116J; 298."

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

Senator Champion from the Committee on Jobs and Economic Development, to which was re-referred

S.F. No. 2: A bill for an act relating to employment; providing for paid family, pregnancy, bonding, and applicant's serious medical condition benefits; regulating and requiring certain employment leaves; classifying certain data; authorizing rulemaking; requiring an actuarial report; increasing direct care provider rates; appropriating money; amending Minnesota Statutes 2022, sections 13.719, by adding a subdivision; 177.27, subdivision 4; 181.032; 256B.057, subdivision 9; 256J.561, by adding a subdivision; 256J.95, subdivisions 3, 11; 256P.01, subdivision 3; 268.19, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 268B.

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

Page 1, line 17, after "members," insert "incapacitated persons,"

Page 1, line 22, after "Industry" insert "and the Department of Commerce"

Page 1, line 24, before the period, insert ", or to the extent necessary for the Department of Commerce to review or verify compliance for a private plan under section 268A.10"

Page 8, after line 18, insert:

"(e) For an applicant under a private plan as provided in section 268B.10, the base period shall be those most recent four quarters or fewer, as applicable, in which wage credits were earned with the current employer as provided by the current employer. If an employer does not have complete base period wage detail information, the employer may accept an employee's certification of wage credits, based on the employee's records."

Page 8, line 20, delete "pregnancy,"

Page 9, line 4, delete "46" and insert "47"

Page 9, after line 4, insert:

"Subd. 12. **Construction industry.** "Construction industry" means any construction, reconstruction, building erection, alteration, remodeling, repairing, renovation, rehabilitation,

excavation, or demolition of any building, structure, facility utility, power plant, sewer, dam, highway, road, street, airport, bridge, or other improvement."

Page 9, after line 30, insert:

"(c) Employee does not include seasonal employees who are employed for no more than 150 days during any consecutive 52-week period. A seasonal employee whose employment extends beyond 150 days during any consecutive 52-week period shall be considered an employee for the purposes of this chapter retroactively to the first day of employment."

Page 10, delete subdivision 19

Page 10, line 6, delete the second "and"

Page 10, line 10, after "authority" insert ", board or commission"

Page 10, line 12, delete the second period and insert "; and"

Page 10, after line 12, insert:

"(4) the taxing employer as described in section 268.046, subdivision 1."

Page 10, line 18, delete "average" and delete "two"

Page 10, line 19, delete "years" and insert "year" and delete everything after the period

Page 10, delete lines 20 to 22

Page 11, line 2, delete "or" and insert a comma

Page 11, line 3, before the period, insert ", or caring for a family member who is taking safety leave"

Page 11, delete lines 11 to 16 and insert:

"(6) an individual selected by the incapacitated person."

Page 11, line 29, after "assistant" insert "; podiatrist" and delete the commas and insert semicolons

Page 11, line 30, delete the first "or" and after "nurse" insert "; an alcohol and drug counselor as defined in section 148F.01, subdivision 5; or a mental health professional as defined in section 245I.02, subdivision 27"

Page 12, line 6, delete ", attend"

Page 12, line 7, delete everything before "due"

Page 12, after line 8, insert:

"Subd. 27. **Incapacitated person.** "Incapacitated person" means the individual who needs leave or is the reason for another individual to need leave due to their incapacity, domestic abuse, sexual assault, stalking, or qualifying exigency."

Page 12, line 22, delete "or pregnancy"

Page 13, line 20, after "self-employment" insert a period

Page 13, delete line 21

Page 14, line 1, delete "at-home care or"

Page 14, line 7, after "times" insert ", within 30 days of the first day of incapacity, unless extenuating circumstances beyond the employee's control prevent a follow-up visit from occurring as planned,"

Page 15, after line 17, insert:

"(d) At no time shall a supplemental benefit payment combined with any leave benefit received under this chapter exceed the regular wage or salary of the applicant."

Page 15, line 25, delete "hours" and delete "hours"

Page 16, delete subdivision 45 and insert:

"Subd. 45. **Wages.** "Wages" has the meaning given in section 268.035, subdivision 29."

Page 19, line 28, after the first period, insert "Employees of the division shall serve in the classified civil service of the state."

Page 20, after line 9, insert:

"Subd. 6. **Procurement.** For purposes of administering this chapter, until July 1, 2025, the department is exempt from the requirements of sections 16A.15, subdivision 3; 16B.97; and 16B.98, subdivisions 5, 7, and 8; chapter 16C; and any other state procurement laws and procedures."

Page 20, delete section 7 and insert:

"Sec. 7. **[268B.03] PAYMENT OF BENEFITS.**

The commissioner must pay benefits from the family and medical benefit insurance account as provided under this chapter to an applicant who has met each of the following requirements:

(1) the applicant has filed an application for benefits and established a benefit account in accordance with section 268B.04;

(2) the applicant has met all of the ongoing eligibility requirements under section 268B.06;

(3) the applicant does not have an outstanding overpayment of family or medical leave benefits, including any penalties or interest;

(4) the applicant has not been held ineligible for benefits under section 268B.07, subdivision 2; and

(5) the applicant is not employed exclusively by a private plan employer and has wage credits during the base year attributable to employers covered under the state family and medical leave program.

EFFECTIVE DATE. Except as provided in section 40, this section is effective July 1, 2025."

Page 21, line 8, after "filed" insert "up to 60 days before leave taken under section 268B.085"

Page 21, line 10, delete "at the time"

Page 21, line 11, delete "the application is filed"

Page 21, line 12, delete "does not meet eligibility at the time of the application or"

Page 21, line 27, delete "24" and insert "12"

Page 23, line 3, delete "37" and insert "39"

Page 23, delete subdivision 5 and insert:

"Subd. 5. **Maximum length of benefits.** (a) The total number of weeks that an applicant may take benefits in a single benefit year for a serious health condition is the lesser of 12 weeks, or 12 weeks minus the number of weeks within the same benefit year that the applicant received benefits for bonding, safety leave, or family care plus eight weeks.

(b) The total number of weeks that an applicant may take benefits in a single benefit year for bonding, safety leave, or family care is the lesser of 12 weeks, or 12 weeks minus the number of weeks within the same benefit year that the applicant received benefits for a serious health condition plus eight weeks."

Page 23, line 14, delete everything after the period and insert "The minimum duration to receive benefits under this chapter is one work day in a work week."

Page 23, delete lines 15 and 16

Page 24, line 23, after "care," insert "or" and delete everything after "bonding"

Page 24, line 24, delete everything before the period

Page 25, line 3, delete "(4)" and insert "(3)"

Page 25, line 6, delete "recovery from pregnancy,"

Page 25, line 7, delete "not" and insert "to" and before the second period, insert "unless the leave is intermittent"

Page 25, line 16, after the period, insert "The health care provider must also certify that the applicant is incapacitated as defined in section 268B.01, subdivision 26, due to their serious health

condition. If the applicant requests intermittent leave, the certification must include the health care provider's reasonable estimate of the frequency and duration and estimated treatment schedule, if applicable."

Page 25, delete lines 23 to 25

Page 25, line 26, delete "(d)" and insert "(c)"

Page 25, line 29, before the period, insert "or estimated due date"

Page 25, line 30, delete "(e)" and insert "(d)"

Page 26, line 5, delete "(f)" and insert "(e)"

Page 26, line 10, delete "(g)" and insert "(f)"

Page 26, line 11, delete "a volunteer or" and insert "an"

Page 26, delete lines 15 and 16

Page 26, line 17, delete "(i)" and insert "(g)" and delete "or reduced-schedule"

Page 26, line 27, delete "supplemental benefit payments" and insert "disability insurance benefits" and delete "(a) An applicant" and insert "An employee may use vacation pay, sick pay, paid time off pay, or disability insurance payments, in lieu of family or medical leave program benefits under this chapter, provided the employee is concurrently eligible. Subject to the limitations of section 268B.09, subdivision 1, an employee is entitled to the employment protections under section 268B.09 for those workdays during which this option is exercised. This subdivision applies to private plans under section 268B.10."

Page 26, delete lines 28 to 31

Page 27, delete lines 1 to 9

Page 27, line 10, delete "and disability insurance"

Page 27, line 14, after the semicolon, insert "or"

Page 27, line 15, delete "; or" and insert a period

Page 27, delete line 16

Page 29, line 10, delete the period and insert ", unless the application is incomplete due to outstanding requests for information including clerical or other errors. Nothing shall prohibit the commissioner from requesting additional information or the applicant from supplementing their initial application before a determination of eligibility. The commissioner may extend the deadline for a determination under this subdivision due to extenuating circumstances."

Page 29, after line 24, insert "(g) The commissioner must ensure a limit of one family member taking leave under this chapter for an incapacitated person at a time, except when family care is taken by parents for an incapacitated person under the age of 18."

Page 31, delete subdivision 1

Page 31, line 8, delete "LEAVE" and insert "NOTICE TO EMPLOYER; SCHEDULES"

Page 31, line 17, delete "or on a reduced-schedule basis"

Page 31, delete lines 30 to 32 and insert:

"(c) An employer may require that an employee taking leave under this chapter provide a copy of the certification under section 268B.06, subdivision 3. Upon written request from the employer, the employee shall provide a copy of the certification as soon as practicable and possible given all of the facts and circumstances in the individual case. Providing certification at or around the time the employee provides a certification to the department shall be considered practicable.

"(d) In addition to any other prohibition imposed under this chapter, an employer must not discharge, discipline, penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate against an employee for providing this certification."

Page 32, line 1, delete "(d)" and insert "(e)"

Page 32, line 7, delete "(e)" and insert "(f)"

Page 32, line 14, after the period, insert "Employees may also use bonding leave before the actual placement or adoption of a child in situations that include but are not limited to where the employee may be required to:"

Page 32, after line 14, insert:

"(1) attend counseling sessions;

(2) appear in court;

(3) consult with the attorney or doctors representing the birth parent;

(4) submit to a physical examination; or

(5) travel to another country to complete an adoption."

Page 32, line 15, delete "or reduced-leave"

Page 32, line 16, delete everything after "intermittently"

Page 32, line 19, delete everything before the period

Page 32, line 20, delete everything after the period

Page 32, delete lines 21 and 22 and insert:

"(b) For an applicant who takes leave on an intermittent schedule, the weekly benefit amount shall be prorated.

(c) An employee requesting leave taken intermittently shall provide the employer with a schedule of needed workdays off as soon as practicable."

Page 32, line 23, delete "(b)" and insert "(d)" and delete "or on a reduced-schedule basis"

Page 33, line 15, before the period, insert ", except as provided in section 268B.10 for payment of an employee"

Page 33, line 17, before "During" insert "(a)"

Page 33, line 18, after "benefits" insert "or leave"

Page 33, after line 21, insert:

"(b) This subdivision may be waived for employees who are working in the construction industry under a bona fide collective bargaining agreement that requires employer contributions to a multi-employer health plan pursuant to United States Code, title 29, section 186, paragraph (c), clause (5), but only if the waiver is set forth in clear and unambiguous terms in the collective bargaining agreement and explicitly cites this subdivision."

Page 35, line 19, before the period, insert "excluding any bonus paid to another employee or employees for covering the work of the employee while the employee was on leave"

Page 35, after line 27, insert:

"(g) Ninety calendar days from the date of hire, an employee has a right and is entitled to reinstatement as provided under this subdivision for any day for which the employee has been deemed eligible for benefits under this chapter."

(h) This subdivision and subdivision 7 may be waived for employees who are working in the construction industry under a bona fide collective bargaining agreement with a construction trade union that maintains a referral-to-work procedure for employees to obtain employment with multiple signatory employers, but only if the waiver is set forth in clear and unambiguous terms in the collective bargaining agreement and explicitly cites this subdivision and subdivision 7.

(i) Nothing in this section shall be deemed to affect the Americans with Disabilities Act, United States Code, title 42, chapter 126."

Page 37, line 20, after the period, insert "Employers may apply for approval of private plans that exceed the benefits provided to employees under this chapter."

Page 37, after line 21, insert:

"Subd. 2. **Private plan requirements; weekly benefit determination.** For purposes of determining the family and medical benefit amount and duration under a private plan, the weekly benefit amount and duration shall be based on the employee's typical work week and wages earned with the employer at the time of an application for benefits. If an employer does not have complete base period wage detail information, the employer may accept an employee's certification of wage credits, based on the employee's records."

Subd. 3. **Private plan requirements; timing of payment.** Private plan benefits may be paid to align with the employer's payroll cycle or according to the terms of the approved private plan.

Subd. 4. **Surety bond requirement.** If the private plan is in the form of self-insurance, the employer shall file with its application for private provision of the medical benefit or family benefit program a surety bond in an amount equal to the employer's annual premium that it would otherwise be required to pay to the family and medical benefit insurance account. The surety bond shall be in a form approved by the commissioner and issued by a surety company authorized to transact business in Minnesota."

Page 37, line 22, after "commissioner" insert ", in consultation with the commissioner of commerce,"

Page 38, line 18, after "commissioner" insert ", in consultation with the commissioner of commerce,"

Page 38, line 26, delete ", taking into consideration any coverage" and insert a semicolon

Page 38, delete line 27

Page 39, line 10, delete "medical" and insert "family" and delete "medical" and insert "family"

Page 39, after line 13, insert:

"Subd. 7. **Employer reimbursement.** If an employer has made advance payments of benefits due under this chapter or has made payments to an employee in like manner as wages during any period of family or medical leave for which the employee is entitled to the benefits provided by this chapter, the employer shall be entitled to reimbursement by the carrier or third-party administrator out of any benefits due or to become due for the family or medical leave, if the claim for reimbursement is filed with the carrier prior to payment of the benefit of the carrier."

Page 39, line 17, delete everything after "must" and insert "be approved by the commissioner of commerce and be issued by an insurance company authorized to transact insurance in this state."

Page 39, line 33, delete "amended to conform" and insert "administered"

Page 40, line 2, delete "private plan to the commissioner" and insert "application for private provision of the medical benefit or family benefit program"

Page 40, line 4, after the period, insert "An employee covered under a private plan has the right to request reconsideration of a decision under a private plan made by an insurer, private plan administrator, or employer prior to exercising the appeal rights in section 268B.04."

Page 40, line 15, after "amendment" insert ", other than those required by this chapter,"

Page 43, line 2, delete "equal to one-half the percentage" and insert "as provided"

Page 46, line 8, delete everything after "employers" and insert "must pay a minimum of 50 percent"

Page 46, line 9, after "of" insert "the" and delete "from employee wages" and after the period, insert "Employees, through a deduction in their wages to the employer, must pay the remaining portion, if any, of the premium not paid by the employer."

Page 46, line 15, delete "contract,"

Page 47, after line 3, insert:

"Subd. 5. **Small business wage exclusion.** (a) For employers with fewer than 30 employees, the amount of wages upon which quarterly employer premium is required is reduced by the premium rate to be paid by the employer multiplied by the lesser of:

(1) \$12,500 multiplied by the number of employees; or

(2) \$120,000.

(b) For each employee over 20 employees, the exclusion is reduced by \$12,000.

(c) The premium paid by the employer as a result of the reduction allowed under this subdivision must not be less than zero.

(d) The reduction in premiums paid by the employer is for the sole benefit of the employer and does not relieve the employer from deducting the employee portion of the premium."

Page 47, line 11, after "and" insert "by July 31 of"

Page 53, delete subdivision 3

Page 53, line 4, after "is" insert "an" and delete "without" and insert "or"

Page 53, line 25, delete "enforcement"

Page 63, delete lines 13 to 18

Page 63 line 19, delete "(d)" and insert "(c)"

Page 63, line 20, delete everything after "employee"

Page 63, line 21, delete "contracted" and delete "or"

Page 63, line 22, delete everything before the period

Page 63, line 24, delete "(e)" and insert "(d)"

Page 64, line 9, delete "except as provided under section 268B.01, subdivision 37,"

Page 64, line 11, delete "under this chapter" and after "chapter" insert ", including through supplemental payments under section 268B.01, subdivision 39"

Page 64, delete lines 30 and 31 and insert:

"(a) Employers are eligible for a business assistance grant when more than 15 percent of their employees are receiving benefits in any given week under this chapter. A grant shall be equal to the lesser of:

(1) 25 percent of the wages earned by the employees on leave in the most recent completed quarter divided by 13; or

(2) \$300 per week per employee on leave.

(b) Grants must be used to hire temporary workers or to increase wages for current employees. The grant shall be paid weekly until the percentage of employees using benefits under this chapter is 15 percent or less for the applicable employer."

Page 65, delete lines 1 to 10

Page 65, line 11, delete "(e)" and insert "(c)"

Page 65, line 13, delete "(f)" and insert "(d)"

Page 65, line 16, delete "(g)" and insert "(e)"

Page 65, line 18, delete "(h)" and insert "(f)"

Page 66, after line 8, insert:

"Sec. 38. **ACTUARIAL STUDY.**

(a) The commissioner of employment and economic development must contract with a qualified independent actuarial consultant to conduct an actuarial study of the family and medical leave premium rate, premium rate structure, weekly benefit formula, duration of benefits, fund reserve, and other components as necessary to determine an actuarially sound rate and future rate-setting mechanism of the family and medical benefit insurance program created in this act. A qualified independent actuarial consultant is one who is a Fellow of the Society of Actuaries, Member of the American Academy of Actuaries (FSA MAAA), and who has experience directly relevant to the analysis required under this paragraph. The commissioner must issue a request for proposal to satisfy the requirements of this section no later than 30 days following enactment.

(b) If the actuarial study indicates that the premium rate in Minnesota Statutes, section 268B.14, subdivision 7, is not actuarially sound, the commissioner must present options to the legislature to adjust the program to make the program actuarially sound.

(c) A copy of the actuarial study and the commissioner's recommendations based on that study must be provided to the majority and minority leaders in the senate and the house of representatives no later than October 31, 2023. The actuarial study and the commissioner's recommendations must also be filed with the Legislative Reference Library in compliance with Minnesota Statutes, section 3.195.

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

Page 72, delete article 3

Renumber the subdivisions and sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, delete "pregnancy,"

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

REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the Pratt motion that S.F. No. 2, be laid on the table.

There were yeas 4 and nays 5, as follows:

Those who voted in the affirmative were:

Senators Draheim, Housley, Nelson, and Pratt.

Those who voted in the negative were:

Senators Champion, Gustafson, Hawj, Mohamed, and Putnam.

The motion did not prevail.

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the Draheim motion that S.F. No. 2, be re-referred without recommendation.

There were yeas 4 and nays 5, as follows:

Those who voted in the affirmative were:

Senators Draheim, Housley, Nelson, and Pratt.

Those who voted in the negative were:

Senators Champion, Gustafson, Hawj, Mohamed, and Putnam.

The motion did not prevail.

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the Nelson motion that S.F. No. 2, be laid on the table.

There were yeas 3 and nays 5, as follows:

Those who voted in the affirmative were:

Senators Housley, Nelson, and Pratt.

Those who voted in the negative were:

Senators Champion, Gustafson, Hawj, Mohamed, and Putnam.

The motion did not prevail.

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

S.F. No. 839: A bill for an act relating to public safety; establishing a public safety innovation board; providing for community safety grants; providing for law enforcement grants and policy; requiring reports; providing for rulemaking; appropriating money; amending Minnesota Statutes 2022, sections 214.10, subdivision 10; 626.843, by adding a subdivision; 626.8473, subdivision 3; 626.89, subdivision 17; Laws 2021, First Special Session chapter 11, article 1, section 15, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 299A.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

COMMUNITY SAFETY GRANTS

Section 1. **[299A.625] PUBLIC SAFETY INNOVATION BOARD.**

Subdivision 1. **Establishment.** The Public Safety Innovation Board is established in the Office of Justice Programs within the Department of Public Safety. The board has the powers and duties described in this section.

Subd. 2. **Membership.** (a) The Public Safety Innovation Board is composed of the following members:

(1) three individuals with experience conducting research in the areas of crime, policing, or sociology while employed by an academic or nonprofit entity, appointed by the governor;

(2) five individuals appointed by the governor of whom:

(i) one shall be a victim of a crime or an advocate for victims of crime;

(ii) one shall be a person impacted by the criminal justice system or an advocate for defendants in criminal cases; and

(iii) one shall have a background in social work;

(3) four members representing the community-specific boards established under sections 3.922 and 15.0145, with one appointment made by each board; and

(4) three members representing law enforcement, with one appointment by the Minnesota Sheriffs' Association, one by the Minnesota Chiefs of Police Association, and one by the Minnesota Police and Peace Officers Association.

(b) The members of the board shall elect one member to serve as chair.

Subd. 3. **Terms; removal; vacancy.** (a) Members are appointed to serve three-year terms following the initial staggered-term lot determination and may be reappointed.

(b) Initial appointment of members must take place by August 1, 2023. The initial term of members appointed under paragraph (a) shall be determined by lot by the secretary of state and shall be as follows:

(1) five members shall serve one-year terms;

(2) five members shall serve two-year terms; and

(3) five members shall serve three-year terms.

(c) A member may be removed by the appointing authority at any time for cause, after notice and hearing.

(d) If a vacancy occurs, the appointing authority shall appoint a new qualifying member within 90 days.

(e) Compensation of board members is governed by section 15.0575.

Subd. 4. **Powers and duties.** The board shall improve public safety by increasing the efficiency, effectiveness, and capacity of public safety providers and has the following powers and duties:

(1) monitoring trends in crime within Minnesota;

(2) reviewing research on criminal justice and public safety;

(3) providing information on criminal trends and research to the commissioner, municipalities, and the legislature;

(4) awarding grants;

(5) evaluating grant applications to assure compliance with evidence-based practices;

(6) assuring an efficient and expeditious distribution of grant funds; and

(7) working with the Minnesota Statistical Analysis Center to identify appropriate outcomes to track on an annual basis for both programs receiving grants and local communities for the purpose of monitoring trends in public safety and the impact of specific programmatic models.

Subd. 5. **Meetings.** The board shall meet at least monthly. Meetings of the board are subject to chapter 13D.

Subd. 6. **Report.** The board shall report to the legislative committees and divisions with jurisdiction over public safety on the work of the board; the implementation, use, and administration of grant programs under the board's jurisdiction; all grants issued by the Office of Justice Programs to local law enforcement agencies for portable recording systems; the outcomes tracked on an annual basis by the Minnesota Statistical Analysis Center; and a summary and analysis of the evaluation programs completed by grant recipients in the previous year.

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

Sec. 2. OFFICE OF JUSTICE PROGRAMS; EXPANSION; APPROPRIATION.

(a) \$4,852,000 in fiscal year 2024 and \$4,852,000 in fiscal year 2025 are appropriated from the general fund to the commissioner of public safety to increase staffing in the Office of Justice Programs, work to simplify grant procedures, and expand the pool of grant applicants. Money must be used as provided in paragraphs (b) to (f).

(b) The commissioner shall hire at least eight additional staff members to provide training and technical assistance to grantees and potential grantees. Technical assistance must include training on grant applications and programmatic elements required to qualify for grants. The additional staff must hold weekly meetings in communities around the state to provide information about the Office of Justice Programs, available grants, and grant processes and requirements, and to receive feedback on the needs of communities in order to inform the policies and practices of the Office of Justice Programs.

(c) The commissioner shall hire 12 additional community outreach specialists to leverage relationships, knowledge, and experience in different communities. The community outreach specialists shall make suggested changes to the practices and procedures of the Office of Justice Programs to make them more accessible.

(d) The commissioner shall hire grant capacity trainers to implement the suggestions of the community outreach specialists to continually expand the reach of the new training and meet the needs identified by communities.

(e) The commissioner shall increase the funding of the Minnesota Statistical Analysis Center to create a uniform evaluation program for all grantees.

(f) The commissioner shall hire additional grant compliance and financial compliance staff to support the Office of Justice Programs and grantees in meeting state and federal requirements and audits.

Sec. 3. PUBLIC SAFETY INNOVATION BOARD; APPROPRIATION.

\$..... in fiscal year 2024 is appropriated from the general fund to the commissioner of public safety to establish and maintain the Public Safety Innovation Board.

ARTICLE 2

LAW ENFORCEMENT POLICY

Section 1. Minnesota Statutes 2022, section 214.10, subdivision 10, is amended to read:

Subd. 10. **Board of Peace Officers Standards and Training; receipt of complaint.** Notwithstanding the provisions of subdivision 1 to the contrary, when the executive director or any member of the Board of Peace Officer Standards and Training produces or receives a written statement or complaint that alleges a violation of a statute or rule that the board is empowered to enforce, the executive director shall designate the appropriate law enforcement agency to investigate

the complaint and ~~shall~~ may order it to conduct an inquiry into the complaint's allegations. The investigating agency must complete the inquiry and submit a written summary of it to the executive director within 30 days of the order for inquiry.

Sec. 2. Minnesota Statutes 2022, section 626.843, is amended by adding a subdivision to read:

Subd. 1c. **Rules governing certain misconduct.** No later than January 1, 2025, the board must adopt rules under chapter 14 that permit the board to take disciplinary action on a licensee for a violation of a standard of conduct in Minnesota Rules, chapter 6700, whether or not criminal charges have been filed and in accordance with the evidentiary standards and civil processes for boards under chapter 214.

Sec. 3. Minnesota Statutes 2022, section 626.8473, subdivision 3, is amended to read:

Subd. 3. Written policies and procedures required. (a) The chief officer of every state and local law enforcement agency that uses or proposes to use a portable recording system must establish and enforce a written policy governing its use. In developing and adopting the policy, the law enforcement agency must provide for public comment and input as provided in subdivision 2. Use of a portable recording system without adoption of a written policy meeting the requirements of this section is prohibited. The written policy must be posted on the agency's website, if the agency has a website.

(b) At a minimum, the written policy must incorporate and require compliance with the following:

(1) the requirements of section 13.825 and other data classifications, access procedures, retention policies, and data security safeguards that, at a minimum, meet the requirements of chapter 13 and other applicable law. The policy must prohibit altering, erasing, or destroying any recording made with a peace officer's portable recording system or data and metadata related to the recording prior to the expiration of the applicable retention period under section 13.825, subdivision 3, except that the full, unedited, and unredacted recording of a peace officer using deadly force must be maintained indefinitely;

(2) mandate that a portable recording system be:

(i) worn where it affords an unobstructed view, and above the mid-line of the waist;

(ii) activated during all contacts with citizens in the performance of official duties other than community engagement, to the extent practical without compromising officer safety; and

(iii) activated when the officer arrives on scene of an incident and remain active until the conclusion of the officer's duties at the scene of the incident;

(3) mandate that officers assigned a portable recording system wear and operate the system in compliance with the agency's policy adopted under this section while performing law enforcement activities under the command and control of another chief law enforcement officer or federal law enforcement official;

(4) mandate that, notwithstanding any law to the contrary, a deceased individual's next of kin, legal representative of the next of kin, or other parent of the deceased individual's children be entitled

to view any and all recordings from a peace officer's portable recording system, redacted no more than what is required by law, of an officer's use of deadly force no later than five business days following an incident where deadly force used by a peace officer results in the death of an individual, except that a chief law enforcement officer may deny a request if the investigating agency requests and can articulate a compelling reason as to why allowing the deceased individual's next of kin, legal representative of the next of kin, or other parent of the deceased individual's children to review the recordings would interfere with a thorough investigation. If the chief law enforcement officer denies a request under this paragraph, the involved officer's agency must issue a prompt, written denial and provide notice to the deceased individual's next of kin, legal representative of the next of kin, or other parent of the deceased individual's children that relief may be sought from the district court;

(5) mandate that, notwithstanding any law to the contrary, an involved officer's agency shall release all body-worn camera recordings of an incident where a peace officer used deadly force and an individual dies to the public no later than 14 business days after the incident, except that a chief law enforcement officer shall not release the video if the investigating agency asserts in writing that allowing the public to view the recordings would interfere with the ongoing investigation;

(6) procedures for testing the portable recording system to ensure adequate functioning;

~~(3)~~ (7) procedures to address a system malfunction or failure, including requirements for documentation by the officer using the system at the time of a malfunction or failure;

~~(4)~~ (8) circumstances under which recording is mandatory, prohibited, or at the discretion of the officer using the system;

~~(5)~~ (9) circumstances under which a data subject must be given notice of a recording;

~~(6)~~ (10) circumstances under which a recording may be ended while an investigation, response, or incident is ongoing;

~~(7)~~ (11) procedures for the secure storage of portable recording system data and the creation of backup copies of the data; and

~~(8)~~ (12) procedures to ensure compliance and address violations of the policy, which must include, at a minimum, supervisory or internal audits and reviews, and the employee discipline standards for unauthorized access to data contained in section 13.09.

(c) The board has authority to inspect state and local law enforcement agency policies to ensure compliance with this section. The board may conduct this inspection based upon a complaint it receives about a particular agency or through a random selection process. The board may impose licensing sanctions and seek injunctive relief under section 214.11 for an agency's or licensee's failure to comply with this section.

Sec. 4. Minnesota Statutes 2022, section 626.89, subdivision 17, is amended to read:

Subd. 17. **Civilian review.** (a) As used in this subdivision, the following terms have the meanings given:

(1) "civilian oversight council" means a civilian review board, commission, or other oversight body established by a local unit of government to provide civilian oversight of a law enforcement agency and officers employed by the agency; and

(2) "misconduct" means a violation of law, standards promulgated by the Peace Officer Standards and Training Board, or agency policy.

(b) A local unit of government may establish a civilian review board, commission, or other oversight body shall not have council and grant the council the authority to make a finding of fact or determination regarding a complaint against an officer or impose discipline on an officer. A civilian review board, commission, or other oversight body may make a recommendation regarding the merits of a complaint, however, the recommendation shall be advisory only and shall not be binding on nor limit the authority of the chief law enforcement officer of any unit of government.

(c) At the conclusion of any criminal investigation or prosecution, if any, a civilian oversight council may conduct an investigation into allegations of peace officer misconduct and retain an investigator to facilitate an investigation. Subject to other applicable law, a council may subpoena or compel testimony and documents in an investigation. Upon completion of an investigation, a council may make a finding of misconduct and recommend appropriate discipline against peace officers employed by the agency. If the governing body grants a council the authority, the council may impose discipline on peace officers employed by the agency. A council may submit investigation reports that contain findings of peace officer misconduct to the chief law enforcement officer and the Peace Officer Standards and Training Board's complaint committee. A council may also make policy recommendations to the chief law enforcement officer and the Peace Officer Standards and Training Board.

(d) The chief law enforcement officer of a law enforcement agency under the jurisdiction of a civilian oversight council shall cooperate with the council and facilitate the council's achievement of its goals. However, the officer is under no obligation to agree with individual recommendations of the council and may oppose a recommendation. If the officer fails to implement a recommendation that is within the officer's authority, the officer shall inform the council of the failure along with the officer's underlying reasons.

(e) Peace officer discipline decisions imposed pursuant to the authority granted under this subdivision shall be subject to the applicable grievance procedure established or agreed to under chapter 179A.

(f) Data collected, created, received, maintained, or disseminated by a civilian oversight council related to an investigation of a peace officer are personnel data as defined by section 13.43, subdivision 1, and are governed by that section.

Sec. 5. Laws 2021, First Special Session chapter 11, article 1, section 15, subdivision 3, is amended to read:

Subd. 3. Peace Officer Training Assistance

Philando Castile Memorial Training Fund

\$6,000,000 each year is to support and strengthen law enforcement training and

implement best practices. This funding shall be named the "Philando Castile Memorial Training Fund." These funds may only be used to reimburse costs related to training courses that qualify for reimbursement under Minnesota Statutes, sections 626.8469 (training in crisis response, conflict management, and cultural diversity), 626.8452 (use of force), and 626.8474 (autism training).

Each sponsor of a training course is required to include the following in the sponsor's application for approval submitted to the board: course goals and objectives; a course outline including at a minimum a timeline and teaching hours for all courses; instructor qualifications, ~~including skills and concepts such as crisis intervention, de-escalation, and cultural competency that are relevant to the course provided~~; and a plan for learning assessments of the course and documenting the assessments to the board during review. Upon completion of each course, instructors must submit student evaluations of the instructor's teaching to the sponsor.

The board shall keep records of the applications of all approved and denied courses. All continuing education courses shall be reviewed after the first year. The board must set a timetable for recurring review after the first year. For each review, the sponsor must submit its learning assessments to the board to show that the course is teaching the learning outcomes that were approved by the board.

A list of licensees who successfully complete the course shall be maintained by the sponsor and transmitted to the board following the presentation of the course and the completed student evaluations of the instructors. Evaluations are available to chief law enforcement officers. The board shall establish a data retention schedule for the information collected in this section.

Each year, if funds are available after reimbursing all eligible requests for courses approved by the board under this subdivision, the board may use the funds to reimburse law enforcement agencies for other board-approved law enforcement training courses. The base for this activity is \$0 in fiscal year 2026 and thereafter.

Sec. 6. PEACE OFFICER STANDARDS AND TRAINING BOARD INVESTIGATORS; APPROPRIATION.

\$1,450,000 in fiscal year 2024 and \$1,203,000 in fiscal year 2025 are appropriated from the general fund to the Peace Officer Standards and Training Board to hire investigators and additional staff to perform compliance reviews and investigate alleged code of conduct violations, and to obtain or improve equipment for that purpose."

Delete the title and insert:

"A bill for an act relating to public safety; establishing a public safety innovation board; providing for community safety grants; providing for law enforcement policy; providing civilian oversight of law enforcement; requiring a report; providing for rulemaking; appropriating money; amending Minnesota Statutes 2022, sections 214.10, subdivision 10; 626.843, by adding a subdivision; 626.8473, subdivision 3; 626.89, subdivision 17; Laws 2021, First Special Session chapter 11, article 1, section 15, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 299A."

And when so amended the bill be re-referred to the Committee on State and Local Government and Veterans without recommendation. Amendments adopted. Report adopted.

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

S.F. No. 2476: A bill for an act relating to employment; prohibiting an employer from forcing employees to attend political or religious meetings or otherwise listen to speech about politics and religion; proposing coding for new law in Minnesota Statutes, chapter 181.

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

Page 2, line 25, delete "the day following final enactment" and insert "August 1, 2023, and applies to causes of action accruing on or after that date"

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

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

S.F. No. 1526: A bill for an act relating to animal health; modifying requirements for certain owners of farmed Cervidae; prohibiting certain registrations; establishing civil liability; requiring live-animal testing for chronic wasting disease; transferring certain duties from the Board of Animal Health to the commissioner of natural resources; appropriating money; amending Minnesota Statutes

2022, sections 35.155, subdivisions 1, 4, 6, 10, 11, 12, by adding subdivisions; 35.156, by adding subdivisions.

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

Page 5, line 4, after "titles" insert "as appropriate, in the county where the premises is located,"

Page 5, line 5, after "board" insert "that meets the recording requirements of sections 507.093 and 507.24" and delete "location" and insert "nearest address" and before "legal" insert "the"

Page 5, line 7, after the period, insert "The legal description must be the legal description of record with the county recorder or registrar of titles and must not otherwise be the real estate tax statement legal description of the premises. The notice shall expire and have no effect ten years after the date of detection stated in the notice. An expired notice must be omitted by the registrar of titles from future certificates of title."

Page 5, line 13, before "infected" and insert "if the herd owner knew or reasonably should have known that the farmed Cervidae were"

Page 5, line 14, before "Action" insert "An"

And when so amended the bill do pass and be re-referred to the Committee on Agriculture, Broadband, and Rural Development. Amendments adopted. Report adopted.

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

S.F. No. 999: A bill for an act relating to the State Building Code; requiring the installation of adult-size changing facilities in restrooms accessible to the public; authorizing rulemaking; amending Minnesota Statutes 2022, section 326B.106, subdivision 4.

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

Page 3, line 17, delete "that set forth" and insert "regarding"

Page 3, line 18, delete "with the addition of" and insert "to"

Page 3, line 19, delete ", under this act"

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

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

S.F. No. 2908: A bill for an act relating to corrections; modifying Board of Pardons provisions; establishing Clemency Review Commission; requiring a report; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2022, section 638.01; proposing coding for new law in Minnesota Statutes, chapter 638; repealing Minnesota Statutes 2022, sections 638.02; 638.03; 638.04; 638.05; 638.06; 638.07; 638.075; 638.08.

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

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

S.F. No. 1632: A bill for an act relating to labor relations; modifying public labor relations; modifying teacher probationary period requirements; amending Minnesota Statutes 2022, sections 13.43, subdivision 6; 120A.414, subdivision 2; 122A.181, subdivision 5; 122A.26, subdivision 2; 122A.40, subdivision 5; 122A.41, subdivision 2; 179A.03, subdivisions 14, 18, 19; 179A.06, by adding a subdivision; 179A.07, subdivision 6, by adding subdivisions; 572B.17.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2022, section 13.43, subdivision 6, is amended to read:

Subd. 6. **Access by labor organizations.** (a) Personnel data ~~may~~ must be disseminated to labor organizations to the extent ~~that the responsible authority determines that the dissemination is necessary to conduct elections, notify employees of fair share fee assessments, investigate and process grievances,~~ and implement the provisions of chapters 179 and 179A. Personnel data shall be disseminated to labor organizations and to the Bureau of Mediation Services to the extent the dissemination is ordered or authorized by the commissioner of the Bureau of Mediation Services. Employee Social Security numbers are not necessary to implement the provisions of chapters 179 and 179A.

(b) Personnel data described under section 179A.07, subdivision 8, must be disseminated to an exclusive representative under the terms of that subdivision.

(c) An employer who disseminates personnel data to a labor organization pursuant to this subdivision shall not be subject to liability under section 13.08. Nothing in this paragraph shall impair or limit any remedies available under section 325E.61.

(d) The home addresses, nonemployer issued phone numbers and email addresses, dates of birth, and emails or other communications between exclusive representatives and their members, prospective members, and nonmembers are private data on individuals.

Sec. 2. [16A.1335] EMPLOYEE SALARIES AND BENEFITS IN EVENT OF STATE GOVERNMENT SHUTDOWN.

Subdivision 1. **Definition.** As used in this section, "government shutdown" means that, as of July 1 of an odd-numbered year, legislation appropriating money for the general operations of (1) an executive agency, (2) an office or department of the legislature, including each house of the legislature and the Legislative Coordinating Commission, or (3) a judicial branch agency or department, including a court, has not been enacted for the biennium beginning July 1 of that year.

Subd. 2. **Payment required.** Notwithstanding section 16A.17, subdivision 8, state employees must be provided payment for lost salary and benefits resulting from their absence from work during

a government shutdown. An employee is eligible for a payment under this section only upon the employee's return to work.

Subd. 3. **Appropriation; limitation.** (a) In the event of a government shutdown, the amount necessary to pay the salary and benefits of employees of any impacted agency, office, or department is appropriated beginning on that July 1 to that agency, office, or department. The appropriation is made from the fund or funds from which an appropriation was made in the previous fiscal year for salary and benefits paid to each affected employee.

(b) Amounts appropriated under this subdivision may not exceed the amount or amounts appropriated for general operations of the affected agency, office, or department in the previous fiscal year.

Subd. 4. **Certification of amount for employees in the legislative and judicial branches.** By June 25 of an odd-numbered year, if a government shutdown appears imminent, the director of the Legislative Coordinating Commission, the chief clerk of the house of representatives, the secretary of the senate, and the chief clerk of the supreme court must each certify to the commissioner of management and budget the amount needed for salaries and benefits for each fiscal year of the next biennium, and the commissioner of management and budget shall make the certified amount available on July 1 of that year, or on another schedule that permits payment of all salary and benefit obligations required by this section in a timely manner.

Subd. 5. **Subsequent appropriations.** A subsequent appropriation to the agency, office, or department for regular operations for a biennium in which this section has been applied may only supersede and replace the appropriation provided by subdivision 3 by express reference to this section.

Sec. 3. Minnesota Statutes 2022, section 120A.414, subdivision 2, is amended to read:

Subd. 2. **Plan.** A school board, including the board of a charter school, may adopt an e-learning day plan after ~~consulting~~ meeting and negotiating with the exclusive representative of the teachers. ~~A~~ If a charter school's teachers are not represented by an exclusive representative, the charter school may adopt an e-learning day plan after consulting with its teachers. The plan must include accommodations for students without Internet access at home and for digital device access for families without the technology or an insufficient amount of technology for the number of children in the household. A school's e-learning day plan must provide accessible options for students with disabilities under chapter 125A.

Sec. 4. Minnesota Statutes 2022, section 122A.181, subdivision 5, is amended to read:

Subd. 5. **Limitations on license.** (a) A Tier 1 license is limited to the content matter indicated on the application for the initial Tier 1 license under subdivision 1, clause (2), and limited to the district or charter school that requested the initial Tier 1 license.

(b) A Tier 1 license does not bring an individual within the definition of a teacher for purposes of section 122A.40, subdivision 1, or 122A.41, subdivision 1, clause (a).

~~(c) A Tier 1 license does not bring an individual within the definition of a teacher under section 179A.03, subdivision 18.~~

Sec. 5. Minnesota Statutes 2022, section 122A.26, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** (a) A person who teaches in a community education program ~~which~~ that qualifies for aid pursuant to section 124D.52 shall continue to meet licensure requirements as a teacher. A person who teaches in an early childhood and family education program ~~which~~ that is offered through a community education program and which qualifies for community education aid pursuant to section 124D.20 or early childhood and family education aid pursuant to section 124D.135 shall continue to meet licensure requirements as a teacher. A person who teaches in a community education course ~~which~~ that is offered for credit for graduation to persons under 18 years of age shall continue to meet licensure requirements as a teacher.

(b) A person who teaches a driver training course ~~which~~ that is offered through a community education program to persons under 18 years of age shall be licensed by the Professional Educator Licensing and Standards Board or be subject to section 171.35. A license ~~which~~ that is required for an instructor in a community education program pursuant to this ~~subdivision~~ paragraph shall not be construed to bring an individual within the definition of a teacher for purposes of section 122A.40, subdivision 1, or 122A.41, subdivision 1, ~~clause~~ paragraph (a).

EFFECTIVE DATE. This section is effective for the 2023-2024 school year and later.

Sec. 6. Minnesota Statutes 2022, section 122A.40, subdivision 5, is amended to read:

Subd. 5. **Probationary period.** (a) The first three consecutive years of a teacher's first teaching experience in Minnesota in a single district is deemed to be a probationary period of employment, and, the probationary period in each district in which the teacher is thereafter employed shall be one year. The school board must adopt a plan for written evaluation of teachers during the probationary period that is consistent with subdivision 8. Evaluation must occur at least three times periodically throughout each school year for a teacher performing services during that school year; the first evaluation must occur within the first 90 days of teaching service. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school must not be included in determining the number of school days on which a teacher performs services. Except as otherwise provided in paragraph (b), during the probationary period any annual contract with any teacher may or may not be renewed as the school board shall see fit. However, the board must give any such teacher whose contract it declines to renew for the following school year written notice to that effect before July 1. If the teacher requests reasons for any nonrenewal of a teaching contract, the board must give the teacher its reason in writing, including a statement that appropriate supervision was furnished describing the nature and the extent of such supervision furnished the teacher during the employment by the board, within ten days after receiving such request. The school board may, after a hearing held upon due notice, discharge a teacher during the probationary period for cause, effective immediately, under section 122A.44.

(b) A board must discharge a probationary teacher, effective immediately, upon receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the teacher's license has been revoked due to a conviction for child abuse or sexual abuse.

(c) A probationary teacher whose first three years of consecutive employment are interrupted for active military service and who promptly resumes teaching consistent with federal reemployment

timelines for uniformed service personnel under United States Code, title 38, section 4312(e), is considered to have a consecutive teaching experience for purposes of paragraph (a).

(d) A probationary teacher whose first three years of consecutive employment are interrupted for maternity, paternity, or medical leave and who resumes teaching within 12 months of when the leave began is considered to have a consecutive teaching experience for purposes of paragraph (a) if the probationary teacher completes a combined total of three years of teaching service immediately before and after the leave.

(e) A probationary teacher must complete at least ~~120~~ 90 days of teaching service each year during the probationary period. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school do not count as days of teaching service under this paragraph.

Sec. 7. Minnesota Statutes 2022, section 122A.41, subdivision 2, is amended to read:

Subd. 2. Probationary period; discharge or demotion. ~~(a) All teachers in the public schools in cities of the first class during the first three years of consecutive employment shall be deemed to be in a probationary period of employment during which period any annual contract with any teacher may, or may not, be renewed as the school board, after consulting with the peer review committee charged with evaluating the probationary teachers under subdivision 3, shall see fit. The first three consecutive years of a teacher's first teaching experience in Minnesota in a single district is deemed to be a probationary period of employment, and the probationary period in each district in which the teacher is thereafter employed shall be one year.~~ The school site management team or the school board if there is no school site management team, shall adopt a plan for a written evaluation of teachers during the probationary period according to subdivisions 3 and 5. Evaluation by the peer review committee charged with evaluating probationary teachers under subdivision 3 shall occur at least three times periodically throughout each school year for a teacher performing services during that school year; the first evaluation must occur within the first 90 days of teaching service. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school shall not be included in determining the number of school days on which a teacher performs services. The school board may, during such probationary period, discharge or demote a teacher for any of the causes as specified in this code. A written statement of the cause of such discharge or demotion shall be given to the teacher by the school board at least 30 days before such removal or demotion shall become effective, and the teacher so notified shall have no right of appeal therefrom.

(b) A probationary teacher whose first three years of consecutive employment are interrupted for active military service and who promptly resumes teaching consistent with federal reemployment timelines for uniformed service personnel under United States Code, title 38, section 4312(e), is considered to have a consecutive teaching experience for purposes of paragraph (a).

(c) A probationary teacher whose first three years of consecutive employment are interrupted for maternity, paternity, or medical leave and who resumes teaching within 12 months of when the leave began is considered to have a consecutive teaching experience for purposes of paragraph (a) if the probationary teacher completes a combined total of three years of teaching service immediately before and after the leave.

(d) A probationary teacher must complete at least ~~120~~ 90 days of teaching service each year during the probationary period. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school do not count as days of teaching service under this paragraph.

Sec. 8. Minnesota Statutes 2022, section 179A.03, subdivision 14, is amended to read:

Subd. 14. **Public employee or employee.** (a) "Public employee" or "employee" means any person appointed or employed by a public employer except:

- (1) elected public officials;
- (2) election officers;
- (3) commissioned or enlisted personnel of the Minnesota National Guard;
- (4) emergency employees who are employed for emergency work caused by natural disaster;
- (5) part-time employees whose service does not exceed the lesser of 14 hours per week or 35 percent of the normal work week in the employee's appropriate unit;
- (6) employees whose positions are basically temporary or seasonal in character and: (i) are not for more than 67 working days in any calendar year; ~~or~~ (ii) are not working for a Minnesota school district or charter school; or (iii) are not for more than 100 working days in any calendar year and the employees are under the age of 22, are full-time students enrolled in a nonprofit or public educational institution prior to being hired by the employer, and have indicated, either in an application for employment or by being enrolled at an educational institution for the next academic year or term, an intention to continue as students during or after their temporary employment;
- (7) employees providing services for not more than two consecutive quarters to the Board of Trustees of the Minnesota State Colleges and Universities under the terms of a professional or technical services contract as defined in section 16C.08, subdivision 1;
- (8) employees of charitable hospitals as defined by section 179.35, subdivision 3, except that employees of charitable hospitals as defined by section 179.35, subdivision 3, are public employees for purposes of sections 179A.051, 179A.052, and 179A.13;
- (9) full-time undergraduate students employed by the school which they attend under a work-study program or in connection with the receipt of financial aid, irrespective of number of hours of service per week;
- (10) an individual who is employed for less than 300 hours in a fiscal year as an instructor in an adult vocational education program;
- ~~(11) an individual hired by the Board of Trustees of the Minnesota State Colleges and Universities to teach one course for three or fewer credits for one semester in a year;~~
- ~~(12)~~ (11) with respect to court employees:
 - (i) personal secretaries to judges;

- (ii) law clerks;
- (iii) managerial employees;
- (iv) confidential employees; and
- (v) supervisory employees; or

~~(13)~~ (12) with respect to employees of Hennepin Healthcare System, Inc., managerial, supervisory, and confidential employees.

(b) The following individuals are public employees regardless of the exclusions of paragraph (a), clauses (5) ~~and (6)~~ to (7):

(1) an employee hired by a school district or the Board of Trustees of the Minnesota State Colleges and Universities except at the university established in the Twin Cities metropolitan area under section 136F.10 or for community services or community education instruction offered on a noncredit basis: (i) to replace an absent teacher or faculty member who is a public employee, where the replacement employee is employed more than 30 working days as a replacement for that teacher or faculty member; or (ii) to take a teaching position created due to increased enrollment, curriculum expansion, courses which are a part of the curriculum whether offered annually or not, or other appropriate reasons;

(2) an employee hired for a position under paragraph (a), clause (6), item (i), if that same position has already been filled under paragraph (a), clause (6), item (i), in the same calendar year and the cumulative number of days worked in that same position by all employees exceeds 67 calendar days in that year. For the purpose of this paragraph, "same position" includes a substantially equivalent position if it is not the same position solely due to a change in the classification or title of the position; ~~and~~

(3) an early childhood family education teacher employed by a school district; and

(4) an individual hired by the Board of Trustees of the Minnesota State Colleges and Universities as the instructor of record to teach (i) one class for more than three credits in a fiscal year, or (ii) two or more credit-bearing classes in a fiscal year.

Sec. 9. Minnesota Statutes 2022, section 179A.03, subdivision 18, is amended to read:

Subd. 18. **Teacher.** "Teacher" means any public employee other than a superintendent or assistant superintendent, principal, assistant principal, or a supervisory or confidential employee, employed by a school district:

(1) in a position for which the person must be licensed by the Professional Educator Licensing and Standards Board or the commissioner of education; ~~or~~

(2) in a position as a physical therapist, occupational therapist, art therapist, music therapist, or audiologist; or

(3) in a position creating and delivering instruction to children in a prekindergarten or early learning program, except that an employee in a bargaining unit certified before January 1, 2023,

may remain in a bargaining unit that does not include teachers unless an exclusive representative files a petition for a unit clarification or to transfer exclusive representative status.

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

Sec. 10. Minnesota Statutes 2022, section 179A.03, subdivision 19, is amended to read:

Subd. 19. **Terms and conditions of employment.** "Terms and conditions of employment" means the hours of employment, the compensation therefor including fringe benefits except retirement contributions or benefits other than employer payment of, or contributions to, premiums for group insurance coverage of retired employees or severance pay, staffing ratios, and the employer's personnel policies affecting the working conditions of the employees. In the case of professional employees the term does not mean educational policies of a school district. "Terms and conditions of employment" is subject to section 179A.07. In the case of school employees, "terms and conditions of employment" includes class sizes, student testing, and student-to-personnel ratios.

Sec. 11. Minnesota Statutes 2022, section 179A.06, subdivision 6, is amended to read:

Subd. 6. ~~Dues checkoff~~ **Payroll deduction, authorization, and remittance.** (a) Public employees have the right to request and be allowed dues checkoff payroll deduction for the exclusive representative. In the absence of an exclusive representative, public employees have the right to request and be allowed dues checkoff for the organization of their choice. and the political fund associated with the exclusive representative and registered pursuant to section 10A.12. A public employer must rely on a certification from any exclusive representative requesting remittance of a deduction that the organization has and will maintain an authorization, signed by the public employee from whose salary or wages the deduction is to be made, which may include an electronic signature by the public employee as defined in section 325L.02, paragraph (h). An exclusive representative making such certification must not be required to provide the public employer a copy of the authorization unless a dispute arises about the existence or terms of the authorization. The exclusive representative must indemnify the public employer for any successful claims made by the employee for unauthorized deductions in reliance on the certification.

(b) A dues deduction authorization remains in effect until the employer receives notice from the exclusive representative that a public employee has changed or canceled their authorization in writing in accordance with the terms of the original authorizing document, and a public employer must rely on information from the exclusive representative receiving remittance of the deduction regarding whether the deductions have been properly changed or canceled. The exclusive representative must indemnify the public employer for any successful claims made by the employee for unauthorized deductions made in reliance on such information.

(c) Deduction authorization under this section is independent from the public employee's membership status in the organization to which payment is remitted and is effective regardless of whether a collective bargaining agreement authorizes the deduction.

(d) Employers must commence deductions within 30 days of notice of authorization from the exclusive representative and must remit the deductions to the exclusive representative within 30 days of the deduction. The failure of an employer to comply with the provisions of this paragraph shall be an unfair labor practice under section 179A.13, the relief for which shall be reimbursement

by the employer of deductions that should have been made or remitted based on a valid authorization given by the employee or employees.

(e) In the absence of an exclusive representative, public employees have the right to request and be allowed payroll deduction for the organization of their choice.

(f) Any dispute under this subdivision must be resolved through an unfair labor practice proceeding under section 179A.13.

Sec. 12. Minnesota Statutes 2022, section 179A.07, subdivision 1, is amended to read:

Subdivision 1. **Inherent managerial policy.** A public employer is not required to meet and negotiate on matters of inherent managerial policy. Matters of inherent managerial policy include, but are not limited to, such areas of discretion or policy as the functions and programs of the employer, its overall budget, utilization of technology, the organizational structure, selection of personnel, and direction ~~and the number~~ of personnel. No public employer shall sign an agreement which limits its right to select persons to serve as supervisory employees or state managers under section 43A.18, subdivision 3, or requires the use of seniority in their selection.

Sec. 13. Minnesota Statutes 2022, section 179A.07, subdivision 6, is amended to read:

Subd. 6. **Time off.** A public employer must afford reasonable time off to elected officers or appointed representatives of the exclusive representative to conduct the duties of the exclusive representative and must, upon request, provide for leaves of absence to elected or appointed officials of the exclusive representative, to elected or appointed officials of an affiliate of an exclusive representative, or to a full-time appointed official of an exclusive representative of teachers in another Minnesota school district.

Sec. 14. Minnesota Statutes 2022, section 179A.07, is amended by adding a subdivision to read:

Subd. 8. **Bargaining unit information.** (a) Within ten calendar days from the date of hire of a bargaining unit employee, a public employer must provide the following contact information to an exclusive representative in an Excel file format or other format agreed to by the exclusive representative: name; job title; worksite location, including location within a facility when appropriate; home address; work telephone number; home and personal cell phone numbers on file with the public employer; date of hire; and work email address and personal email address on file with the public employer.

(b) Every 120 calendar days beginning on January 1, 2024, a public employer must provide an exclusive representative in an Excel file or similar format agreed to by the exclusive representative the following information for all bargaining unit employees: name; job title; worksite location, including location within a facility when appropriate; home address; work telephone number; home and personal cell phone numbers on file with the public employer; date of hire; and work email address and personal email address on file with the public employer.

(c) A public employer must notify an exclusive representative within ten calendar days of the separation of employment or transfer out of the bargaining unit of a bargaining unit employee.

Sec. 15. Minnesota Statutes 2022, section 179A.07, is amended by adding a subdivision to read:

Subd. 9. **Access.** (a) A public employer must allow an exclusive representative to meet in person with newly hired employees, without charge to the pay or leave time of the employees, for 30 minutes, within 30 calendar days from the date of hire, during new employee orientations or, if the employer does not conduct new employee orientations, at individual or group meetings. An exclusive representative shall receive no less than ten days' notice in advance of an orientation, except that a shorter notice may be provided where there is an urgent need critical to the operations of the public employer that was not reasonably foreseeable. Notice of and attendance at new employee orientations and other meetings under this paragraph must be limited to the public employer, the employees, the exclusive representative, and any vendor contracted to provide a service for purposes of the meeting. Meetings may be held virtually or for longer than 30 minutes only by mutual agreement of the public employer and exclusive representative.

(b) A public employer must allow an exclusive representative to communicate with bargaining unit members using their employer-issued email addresses regarding collective bargaining, the administration of collective bargaining agreements, the investigation of grievances, other workplace-related complaints and issues, and internal matters involving the governance or business of the exclusive representative, consistent with the employer's generally applicable technology use policies.

(c) A public employer must allow an exclusive representative to meet with bargaining unit members in facilities owned or leased by the public employer regarding collective bargaining, the administration of collective bargaining agreements, grievances and other workplace-related complaints and issues, and internal matters involving the governance or business of the exclusive representative, provided the use does not interfere with governmental operations. Meetings conducted in government buildings pursuant to this paragraph must not be for the purpose of supporting or opposing any candidate for partisan political office or for the purpose of distributing literature or information regarding partisan elections. An exclusive representative conducting a meeting in a government building or other government facility pursuant to this subdivision may be charged for maintenance, security, and other costs related to the use of the government building or facility that would not otherwise be incurred by the government entity.

Sec. 16. Minnesota Statutes 2022, section 179A.12, is amended by adding a subdivision to read:

Subd. 2a. **Majority verification procedure.** (a) Notwithstanding any other provision of this section, an employee organization may file a petition with the commissioner requesting certification as the exclusive representative of an appropriate unit based on a verification that over 50 percent of the employees in the proposed appropriate unit wish to be represented by the petitioner. The commissioner shall require dated representation authorization signatures of affected employees as verification of the employee organization's claim of majority status.

(b) Upon receipt of an employee organization's petition, accompanied by employee authorization signatures under this subdivision, the commissioner shall investigate the petition. If the commissioner determines that over 50 percent of the employees in an appropriate unit have provided authorization signatures designating the employee organization specified in the petition as their exclusive representative, the commissioner shall not order an election but shall certify the employee organization.

Sec. 17. Minnesota Statutes 2022, section 179A.12, subdivision 6, is amended to read:

Subd. 6. **Authorization signatures.** In determining the numerical status of an employee organization for purposes of this section, the commissioner shall require dated representation authorization signatures of affected employees as verification of the statements contained in the joint request or petitions. These authorization signatures shall be privileged and confidential information available to the commissioner only. Electronic signatures, as defined in section 325L.02, paragraph (h), shall be valid as authorization signatures. Authorization signatures shall be valid for a period of one year following the date of signature.

Sec. 18. Minnesota Statutes 2022, section 179A.12, subdivision 11, is amended to read:

Subd. 11. **Unfair labor practices.** If the commissioner finds that an unfair labor practice was committed by an employer or representative candidate or an employee or group of employees, and that the unfair labor practice affected the result of an election or majority verification procedure pursuant to subdivision 2a, or that procedural or other irregularities in the conduct of the election or majority verification procedure may have substantially affected its results, the commissioner may void the ~~election~~ result and order a new election or majority verification procedure.

Sec. 19. Minnesota Statutes 2022, section 572B.17, is amended to read:

572B.17 WITNESSES; SUBPOENAS; DEPOSITIONS; DISCOVERY.

(a) An arbitrator may issue a subpoena for the attendance of a witness and for the production of records and other evidence at any hearing and may administer oaths. A subpoena must be served in the manner for service of subpoenas in a civil action and, upon motion to the court by a party to the arbitration proceeding or the arbitrator, enforced in the manner for enforcement of subpoenas in a civil action.

(b) On request of a party to or a witness in an arbitration proceeding, an arbitrator may permit a deposition of any witness to provide testimony at the arbitration hearing, including a witness who cannot be subpoenaed for or is unable to attend a hearing, to be taken under conditions determined by the arbitrator for use as evidence in order to make the proceeding fair, expeditious, and cost-effective.

(c) An arbitrator may permit such discovery as the arbitrator decides is appropriate in the circumstances, taking into account the needs of the parties to the arbitration proceeding and other affected persons and the desirability of making the proceeding fair, expeditious, and cost-effective.

(d) If an arbitrator permits discovery under subsection (c), the arbitrator may order a party to the arbitration proceeding to comply with the arbitrator's discovery-related orders, including the issuance of a subpoena for the attendance of a witness and for the production of records and other evidence at a discovery proceeding, and may take action against a party to the arbitration proceeding who does not comply to the extent permitted by law as if the controversy were the subject of a civil action in this state.

(e) An arbitrator may issue a protective order to prevent the disclosure of privileged information, confidential information, trade secrets, data classified as nonpublic or private pursuant to chapter 13, and other information protected from disclosure as if the controversy were the subject of a civil action in this state.

(f) All laws compelling a person under subpoena to testify and all fees for attending a judicial proceeding, a deposition, or a discovery proceeding as a witness apply to an arbitration proceeding as if the controversy were the subject of a civil action under the laws and rules of civil procedure of this state.

(g) The court may enforce a subpoena or discovery-related order for the attendance of a witness within this state and for the production of records and other evidence issued by an arbitrator in connection with an arbitration proceeding in another state upon conditions determined by the court in order to make the arbitration proceeding fair, expeditious, and cost-effective. A subpoena or discovery-related order issued by an arbitrator must be served in the manner provided by law for service of subpoenas in a civil action in this state and, upon motion to the court by a party to the arbitration proceeding or the arbitrator, enforced in the manner provided by law for enforcement of subpoenas in a civil action in this state.

Sec. 20. **REPEALER.**

Minnesota Statutes 2022, section 179A.12, subdivision 2, is repealed."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "appropriating money for state employee salaries in the event of nonappropriation; providing for election of payroll deduction for public employees;"

Amend the title numbers accordingly

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

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

S.F. No. 1972: A bill for an act relating to juvenile justice; modifying the authority for use of visual inspections and disciplinary room time for delinquent children and youth in detention facilities; authorizing rulemaking; requiring a report; amending Minnesota Statutes 2022, section 241.021, subdivisions 2a, 2b; proposing coding for new law in Minnesota Statutes, chapter 241.

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

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

S.F. No. 2380: A bill for an act relating to corrections; providing for a supervision standards committee; modifying probation, supervised release, and community corrections; providing for rulemaking; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 243.05, subdivision 1; 244.05, subdivision 3; 244.19, subdivisions 1, 5; 244.195, subdivisions 1, 2, by adding subdivisions; 244.20; 244.21; 401.01; 401.02; 401.025, subdivision 1; 401.06; 401.09; 401.10; 401.11; 401.14, subdivision 3; 401.16; 609.14, subdivision 1, by adding a subdivision;

proposing coding for new law in Minnesota Statutes, chapter 401; repealing Minnesota Statutes 2022, sections 244.18; 244.19, subdivisions 6, 7, 8; 244.22; 244.24; 244.30.

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

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

H.F. No. 55: A bill for an act relating to public safety; creating an office for missing and murdered Black women and girls; authorizing office to issue grants; requiring Bureau of Criminal Apprehension to operate missing person alert program; requiring a report; appropriating money; amending Minnesota Statutes 2022, section 299C.53, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 299A.

Reports the same back with the recommendation that H.F. No. 55 , the unofficial engrossment, do pass and be re-referred to the Committee on Finance. Report adopted.

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

S.F. No. 168: A bill for an act relating to health; prohibiting excessive price increases by manufacturers to generic or off-patent drugs; authorizing the attorney general to take action against manufacturers for certain price increases; prohibiting withdrawal of certain generic or off-patent drugs sales; establishing a prescription drug affordability board and prescription drug affordability advisory council; providing for prescription drug cost reviews and remedies; providing appointments; imposing civil penalties; requiring a report; appropriating money; amending Minnesota Statutes 2022, section 151.071, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapter 62J.

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

Page 8, line 9, delete "a 17-member" and insert "an 18-member"

Page 8, line 30, delete "and"

Page 9, line 1, delete the period and insert "; and"

Page 9, after line 1, insert:

"(15) one member who is an oncologist who is not employed by, under contract with, or otherwise affiliated with a hospital."

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

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

S.F. No. 834: A bill for an act relating to environment; prohibiting PFAS in certain products; requiring disclosure; authorizing rulemaking; amending Minnesota Statutes 2022, section 325F.072, subdivisions 1, 3, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116.

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

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

S.F. No. 1334: A bill for an act relating to corrections; authorizing e-filing of disposition of detainees; providing language access to limited English proficient individuals under authority of Department of Corrections; authorizing commissioner of corrections to determine facility placement of juveniles sentenced as adults; amending statutory language regarding substance use disorder assessment process to reflect current standards of care; including warrant authority for inmate failing to report post sentencing; modifying intensive supervised release and electronic surveillance; providing for release during a pandemic; allowing readmission to challenge incarceration program; clarifying that Shakopee correctional facility offers challenge incarceration program; combining Advisory council of Interstate Adult Supervision with Interstate Commission for Juveniles; repealing intensive community supervision program law; including community supervision agents as public safety officers for line of duty death benefits; providing mechanism for funding probation services resulting from transition of services to Department of Corrections; amending Minnesota Statutes 2022, sections 169A.276, subdivision 1; 241.021, by adding a subdivision; 242.18; 243.1606; 243.58; 244.05, subdivisions 6, 8; 244.0513, subdivisions 2, 4; 244.171, subdivision 4; 244.172, subdivision 1; 244.19, subdivisions 1, 5; 260.515; 299A.41, subdivision 4; 629.292, subdivision 2; repealing Minnesota Statutes 2022, sections 244.14; 244.15.

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

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

S.F. No. 1351: A bill for an act relating to corrections; establishing the Indeterminate Sentence Release Board; requiring a report; amending Minnesota Statutes 2022, section 244.05, subdivisions 2, 5; proposing coding for new law in Minnesota Statutes, chapter 244.

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

Senator Klein from the Committee on Commerce and Consumer Protection, to which was referred

S.F. No. 2219: A bill for an act relating to insurance; providing for certain premium discounts and rate reductions; establishing a strengthen Minnesota homes program; establishing an account;

authorizing administrative rulemaking; proposing coding for new law in Minnesota Statutes, chapter 65A.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2022, section 8.31, subdivision 1, is amended to read:

Subdivision 1. **Investigate offenses against provisions of certain designated sections; assist in enforcement.** The attorney general shall investigate violations of the law of this state respecting unfair, discriminatory, and other unlawful practices in business, commerce, or trade, and specifically, but not exclusively, the Nonprofit Corporation Act (sections 317A.001 to 317A.909), the Act Against Unfair Discrimination and Competition (sections 325D.01 to 325D.07), the Unlawful Trade Practices Act (sections 325D.09 to 325D.16), the Antitrust Act (sections 325D.49 to 325D.66), section 325F.67 and other laws against false or fraudulent advertising, the antidiscrimination acts contained in section 325D.67, the act against monopolization of food products (section 325D.68), the act regulating telephone advertising services (section 325E.39), the Prevention of Consumer Fraud Act (sections 325F.68 to 325F.70), the act regulating price gouging (section 325E.80), and chapter 53A regulating currency exchanges and assist in the enforcement of those laws as in this section provided.

Sec. 2. Minnesota Statutes 2022, section 47.0153, subdivision 1, is amended to read:

Subdivision 1. **Emergency closings.** When the officers of a financial institution are of the opinion that an emergency exists, or is impending, which affects, or may affect, a financial institution's offices, they shall have the authority, in the reasonable exercise of their discretion, to determine not to open any of its offices on any business day or, if having opened, to close an office during the continuation of the emergency, even if the commissioner does not issue a proclamation of emergency. The office closed shall remain closed until the time that the officers determine the emergency has ended, and for the further time reasonably necessary to reopen. No financial institution office shall remain closed for more than 48 consecutive hours in a Monday through Friday period, excluding other legal holidays, without the prior approval of the commissioner.

Sec. 3. Minnesota Statutes 2022, section 53C.01, is amended by adding a subdivision to read:

Subd. 4a. **Global positioning system starter interrupt device.** "Global positioning system starter interrupt device" or "GPS starter interrupt device" means a device installed on a motor vehicle by a motor vehicle dealer that enables an individual who is not in possession of the motor vehicle to remotely disable the motor vehicle's ignition. GPS starter interrupt device includes a device commonly referred to as a fuel or ignition kill switch.

Sec. 4. Minnesota Statutes 2022, section 53C.01, subdivision 12c, is amended to read:

Subd. 12c. **Theft deterrent device.** "Theft deterrent device" means the following devices:

- (1) a vehicle alarm system;
- (2) a window etch product;
- (3) a body part marking product;

- (4) a steering lock; or
- (5) a pedal or ignition lock; ~~or~~
- ~~(6) a fuel or ignition kill switch.~~

Sec. 5. Minnesota Statutes 2022, section 53C.08, subdivision 1a, is amended to read:

Subd. 1a. **Disclosures required.** Prior to the execution of a retail installment contract, the seller shall provide to a buyer, and obtain the buyer's signature on, a written disclosure that sets forth the following information:

(1) a description and the total price of all items sold in the following categories if the contract includes a charge for the item:

- (i) a service contract;
- (ii) an insurance product;
- (iii) a debt cancellation agreement;
- (iv) a theft deterrent device; or
- (v) a surface protection product;

(2) whether a GPS starter interrupt device is installed on the motor vehicle, regardless of whether the contract includes a charge for the GPS starter interrupt device;

(3) the amount that would be calculated under the contract as the regular installment payment if charges for the items referenced under clause (1) are not included in the contract;

~~(4)~~ (4) the amount that would be calculated under the contract as the regular installment payment if charges for the items referenced under clause (1) are included in the contract; and

~~(5)~~ (5) the disclosures required under this subdivision must be in at least ten-point type and must be contained in a single document that is separate from the retail installment contract and any other vehicle purchase documents.

Sec. 6. **[58.20] DEFINITIONS.**

Subdivision 1. **Scope.** For purposes of this section to section 58.23, the terms defined in this section have the meanings given.

Subd. 2. **Allowable assets for liquidity.** "Allowable assets for liquidity" means assets that may be used to satisfy the liquidity requirements under section 58.22, including:

- (1) unrestricted cash and cash equivalents; and
- (2) unencumbered investment grade assets held for sale or trade, including agency mortgage-backed securities, obligations of government-sponsored enterprises, and United States Treasury obligations.

Subd. 3. **Board of directors.** "Board of directors" means the formal body established by a covered institution that is responsible for corporate governance and compliance with sections 58.21 to 58.23.

Subd. 4. **Corporate governance.** "Corporate governance" means the structure of the covered institution and how the covered institution is managed, including the corporate rules, policies, processes, and practices used to oversee and manage the covered institution.

Subd. 5. **Covered institution.** "Covered institution" means a mortgage servicer that services or subservices for others at least 2,000 or more residential mortgage loans in the United States, excluding whole loans owned, and loans being interim serviced prior to sale as of the most recent calendar year end, reported on the NMLS mortgage call report.

Subd. 6. **External audit.** "External audit" means the formal report, prepared by an independent certified public accountant, expressing an opinion on whether the financial statements are:

(1) presented fairly, in all material aspects, in accordance with the applicable financial reporting framework; and

(2) inclusive of an evaluation of the adequacy of a company's internal control structure.

Subd. 7. **Government-sponsored enterprises.** "Government-sponsored enterprises" means the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation.

Subd. 8. **Interim serviced prior to sale.** "Interim serviced prior to sale" means the collection of a limited number of contractual mortgage payments immediately after origination on loans held for sale but no longer than a period of ninety days prior to the loans being sold into the secondary market.

Subd. 9. **Internal audit.** "Internal audit" means the internal activity of performing independent and objective assurance and consulting to evaluate and improve the effectiveness of company operations, risk management, internal controls, and governance processes.

Subd. 10. **Mortgage-backed security.** "Mortgage-backed security" means a financial instrument, often debt securities, collateralized by residential mortgages.

Subd. 11. **Mortgage call report.** "Mortgage call report" means the quarterly or annual report of residential real estate loan origination, servicing, and financial information completed by companies licensed in NMLS.

Subd. 12. **Mortgage servicing rights.** "Mortgage servicing rights" means the contractual right to service a residential mortgage loan on behalf of the owner of the associated mortgage in exchange for compensation specified in the servicing contract.

Subd. 13. **Mortgage servicing rights investor.** "Mortgage servicing rights investor" or "master servicer" means an entity that (1) invests in and owns mortgage servicing rights; and (2) relies on subservicers to administer the loans on the mortgage servicing rights investor's behalf.

Subd. 14. **Nationwide Multistate Licensing System.** "Nationwide Multistate Licensing System" or "NMLS" has the meaning given in section 58A.02, subdivision 8.

Subd. 15. **Operating liquidity.** "Operating liquidity" means the money necessary for an entity to perform normal business operations, including payment of rent, salaries, interest expenses, and other typical expenses associated with operating the entity.

Subd. 16. **Residential mortgage loans serviced.** "Residential mortgage loans serviced" means the specific portfolio or portfolios of residential mortgage loans for which a licensee is contractually responsible to the owner or owners of the mortgage loans for the defined servicing activities.

Subd. 17. **Reverse mortgage.** "Reverse mortgage" has the meaning given in section 47.58, subdivision 1, paragraph (a).

Subd. 18. **Risk management assessment.** "Risk management assessment" means the functional evaluations performed under the risk management program and the reports provided to the board of directors under the relevant governance protocol.

Subd. 19. **Risk management program.** "Risk management program" means the policies and procedures designed to identify, measure, monitor, and mitigate risk commensurate with the covered institution's size and complexity.

Subd. 20. **Servicer.** "Servicer" has the meaning given in section 58.02, subdivision 20.

Subd. 21. **Servicing liquidity.** "Servicing liquidity" or "liquidity" means the financial resources necessary to manage liquidity risk arising from servicing functions required in acquiring and financing mortgage servicing rights; hedging costs, including margin calls, associated with the mortgage servicing rights asset and financing facilities; and advances or costs of advance financing for principal, interest, taxes, insurance, and any other servicing related advances.

Subd. 22. **Subservicer.** "Subservicer" means the entity performing routine administration of residential mortgage loans as the agent of a servicer or mortgage servicing rights investor under the terms of a subservicing contract.

Subd. 23. **Subservicing for others.** "Subservicing for others" means the contractual activities performed by subservicers on behalf of a servicer or mortgage servicing rights investor.

Subd. 24. **Tangible net worth.** "Tangible net worth" means total equity less receivables due from related entities, less goodwill and other intangibles, less pledged assets.

Subd. 25. **Whole loans.** "Whole loans" means a loan where a mortgage and the underlying credit risk is owned and held on a balance sheet of the entity possessing all ownership rights.

Sec. 7. [58.21] APPLICABILITY; EXCLUSIONS.

Subdivision 1. **Applicability.** Sections 58.20 to 58.23 apply to covered institutions. For entities within a holding company or an affiliated group of companies, sections 58.20 to 58.23 apply at the covered institution level.

Subd. 2. **Exclusions.** (a) Sections 58.20 to 58.23 do not apply to (1) persons exempt from licensing under section 58.04 and 58.05; and (2) an institution of the Farm Credit System established and authorized in accordance with the Farm Credit Act of 1971, as amended, United States Code, title 12, section 2001, et seq.

(b) Section 58.22 does not apply to (1) servicers that solely own or conduct reverse mortgage servicing; or (2) the reverse mortgage portfolio administered by a covered institution.

Sec. 8. **[58.22] FINANCIAL CONDITION.**

Subdivision 1. **Compliance required.** A covered institution must maintain capital and liquidity in compliance with this section.

Subd. 2. **Generally accepted accounting principles.** For the purposes of complying with the capital and liquidity requirements of this section, all financial data must be determined in accordance with generally accepted accounting principles.

Subd. 3. **Federal Housing Finance Agency eligibility requirements; policies and procedures.** (a) A covered institution that meets the Federal Housing Finance Agency eligibility requirements for enterprise single-family sellers and servicers with respect to capital, net worth ratio, and liquidity meets the requirements of subdivisions 1 and 2, regardless of whether the servicer is approved for government-sponsored enterprise servicing.

(b) A covered institution must maintain written policies and procedures that implement the capital and servicing liquidity requirements of this section. The policies and procedures implemented pursuant to this paragraph must include a sustainable written methodology to satisfy the requirements of paragraph (a) and must be made available to the commissioner upon request.

Subd. 4. **Operating liquidity.** (a) A covered institution must maintain sufficient allowable assets for liquidity, in addition to the amounts required for servicing liquidity, to cover normal business operations.

(b) Covered institutions must have sound cash management and business operating plans that (1) match the complexity of the institution; and (2) ensure normal business operations.

(c) Management must develop, establish, and implement plans, policies, and procedures to maintain operating liquidity sufficient for the ongoing needs of the covered institution. Plans, policies, and procedures implemented pursuant to this paragraph must contain sustainable, written methodologies to maintain sufficient operating liquidity and must be made available to the commissioner upon request.

Sec. 9. **[58.23] CORPORATE GOVERNANCE.**

Subdivision 1. **Board of directors required.** A covered institution must establish and maintain a board of directors that is responsible for oversight of the covered institution.

Subd. 2. **Board of directors; alternative.** If a covered institution has not received approval to service loans by a government-sponsored enterprise or the Government National Mortgage Association, or if a government-sponsored enterprise or the Government National Mortgage Association has granted approval for a board of directors alternative, the covered institution may establish a similar body constituted to exercise oversight and fulfill the responsibilities specified under subdivision 3.

Subd. 3. **Board of directors; responsibilities.** The board of directors must:

(1) establish a written corporate governance framework, including appropriate internal controls designed to monitor corporate governance and assess compliance with the corporate governance framework, and must make the corporate governance framework available to the commissioner upon request;

(2) monitor and ensure the covered institution complies with (i) the corporate governance framework; and (ii) sections 58.20 to this section; and

(3) perform accurate and timely regulatory reporting, including filing the mortgage call report.

Subd. 4. **Internal audit.** The board of directors must establish internal audit requirements that (1) are appropriate for the size, complexity, and risk profile of the servicer; and (2) ensure appropriate independence to provide a reliable evaluation of the servicer's internal control structure, risk management, and governance. The board-established internal audit requirements and the results of internal audits must be made available to the commissioner upon request.

Subd. 5. **External audit.** (a) A covered institution must receive an external audit, including audited financial statements and audit reports, that is conducted by an independent public accountant annually. The external audit must be made available to the commissioner upon request.

(b) The external audit must include, at a minimum:

(1) annual financial statements, including (i) a balance sheet; (ii) a statement of operations and income statement; and (iii) cash flows, including notes and supplemental schedules prepared in accordance with generally accepted accounting principles;

(2) an assessment of the internal control structure;

(3) a computation of tangible net worth;

(4) validation of mortgage servicing rights valuation and reserve methodology, if applicable;

(5) verification of adequate fidelity and errors and omissions insurance; and

(6) testing of controls related to risk management activities, including compliance and stress testing, if applicable.

Subd. 6. **Risk management.** (a) Under oversight by the board of directors, a covered institution must establish a risk management program that identifies, measures, monitors, and controls risk commensurate with the covered institution's size and complexity. The risk management program must have appropriate processes and models in place to measure, monitor, and mitigate financial risks and changes to the servicer's risk profile and assets being serviced.

(b) The size and risk management program must be scaled to the size and complexity of the organization, including but not limited to:

(1) the potential that a borrower or counterparty fails to perform on an obligation;

(2) the potential that the servicer (i) is unable to meet the servicer's obligations as the obligations come due as a result of an inability to liquidate assets or obtain adequate funding; or (ii) cannot easily unwind or offset specific exposures;

(3) the risk resulting from (i) inadequate or failed internal processes, people, and systems; or (ii) external events;

(4) the risk to the servicer's condition resulting from adverse movements in market rates or prices;

(5) the risk of regulatory sanctions, fines, penalties, or losses resulting from the failure to comply with laws, rules, regulations, or other supervisory requirements that apply to the servicer;

(6) the potential that legal proceedings against the institution resulting in unenforceable contracts, lawsuits, legal sanctions, or adverse judgments can disrupt or otherwise negatively affect the servicer's operations or condition; and

(7) the risk to earnings and capital arising from negative publicity regarding the servicer's business practices.

Subd. 7. **Risk management assessment.** A covered institution must conduct a risk management assessment on an annual basis. The risk management assessment must conclude with a formal report to the board of directors and must be made available to the commissioner upon request. A covered institution must maintain evidence of risk management activities throughout the year and must include the evidence of risk management activities as part of the report. The risk management assessment must include issue findings and the response or action taken to address the issue findings.

Sec. 10. Minnesota Statutes 2022, section 61A.031, is amended to read:

61A.031 SUICIDE PROVISIONS.

(a) The sanity or insanity of a person shall not be a factor in determining whether a person committed suicide within the terms of an individual or group life insurance policy regulating the payment of benefits in the event of the insured's suicide. This ~~section~~ paragraph shall not be construed to alter present law but is intended to clarify present law.

(b) A life insurance policy or certificate issued or delivered in this state may exclude or restrict liability for any death benefit in the event the insured dies as a result of suicide within one year from the date of the issue of the policy or certificate. Any exclusion or restriction shall be clearly stated in the policy or certificate. Any life insurance policy or certificate which contains any exclusion or restriction under this paragraph shall also provide that in the event any death benefit is denied because the insured dies as a result of suicide within one year from the date of issue of the policy or certificate, the insurer shall refund all premiums paid for coverage providing the denied death benefit on the insured.

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

Sec. 11. Minnesota Statutes 2022, section 61A.60, subdivision 3, is amended to read:

Subd. 3. **Definitions.** The following definitions must appear on the back of the notice forms provided in subdivisions 1 and 2:

DEFINITIONS

PREMIUMS: Premiums are the payments you make in exchange for an insurance policy or annuity contract. They are unlike deposits in a savings or investment program, because if you drop the policy or contract, you might get back less than you paid in.

CASH SURRENDER VALUE: This is the amount of money you can get in cash if you surrender your life insurance policy or annuity. If there is a policy loan, the cash surrender value is the difference between the cash value printed in the policy and the loan value. Not all policies have cash surrender values.

LAPSE: A life insurance policy may lapse when you do not pay the premiums within the grace period. If you had a cash surrender value, the insurer might change your policy to as much extended term insurance or paid-up insurance as the cash surrender value will buy. Sometimes the policy lets the insurer borrow from the cash surrender value to pay the premiums.

SURRENDER: You surrender a life insurance policy when you either let it lapse or tell the company you want to drop it. Whenever a policy has a cash surrender value, you can get it in cash if you return the policy to the company with a written request. Most insurers will also let you exchange the cash value of the policy for paid-up or extended term insurance.

CONVERT TO PAID-UP INSURANCE: This means you use your cash surrender value to change your insurance to a paid-up policy with the same insurer. The death benefit generally will be lower than under the old policy, but you will not have to pay any more premiums.

PLACE ON EXTENDED TERM: This means you use your cash surrender value to change your insurance to term insurance with the same insurer. In this case, the net death benefit will be the same as before. However, you will only be covered for a specified period of time stated in the policy.

BORROW POLICY LOAN VALUES: If your life insurance policy has a cash surrender value, you can almost always borrow all or part of it from the insurer. Interest will be charged according to the terms of the policy, and if the loan with unpaid interest ever exceeds the cash surrender value, your policy will be surrendered. If you die, the amount of the loan and any unpaid interest due will be subtracted from the death benefits.

EVIDENCE OF INSURABILITY: This means proof that you are an acceptable risk. You have to meet the insurer's standards regarding age, health, occupation, etc., to be eligible for coverage.

INCONTESTABLE CLAUSE: This says that after two years, depending on the policy or insurer, the life insurer will not resist a claim because you made a false or incomplete statement when you applied for the policy. For the early years, though, if there are wrong answers on the application and the insurer finds out about them, the insurer can deny a claim as if the policy had never existed.

SUICIDE CLAUSE: This says that if you ~~commit~~ complete suicide after being insured for less than ~~two years~~ one year, depending on the policy and insurer, your beneficiaries will receive only a refund of the premiums that were paid.

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

Sec. 12. Minnesota Statutes 2022, section 62Q.735, subdivision 1, is amended to read:

Subdivision 1. **Contract disclosure.** (a) Before requiring a health care provider to sign a contract, a health plan company shall give to the provider a complete copy of the proposed contract, including:

- (1) all attachments and exhibits;
- (2) operating manuals;
- (3) a general description of the health plan company's health service coding guidelines and requirement for procedures and diagnoses with modifiers, and multiple procedures; and
- (4) all guidelines and treatment parameters incorporated or referenced in the contract.

(b) The health plan company shall make available to the provider the fee schedule or a method or process that allows the provider to determine the fee schedule for each health care service to be provided under the contract.

~~(c) Notwithstanding paragraph (b), a health plan company that is a dental plan organization, as defined in section 62Q.76, shall disclose information related to the individual contracted provider's expected reimbursement from the dental plan organization. Nothing in this section requires a dental plan organization to disclose the plan's aggregate maximum allowable fee table used to determine other providers' fees. The contracted provider must not release this information in any way that would violate any state or federal antitrust law.~~

Sec. 13. Minnesota Statutes 2022, section 62Q.735, subdivision 5, is amended to read:

Subd. 5. **Fee schedules.** ~~(a)~~ A health plan company shall provide, upon request, any additional fees or fee schedules relevant to the particular provider's practice beyond those provided with the renewal documents for the next contract year to all participating providers, excluding claims paid under the pharmacy benefit. Health plan companies may fulfill the requirements of this section by making the full fee schedules available through a secure web portal for contracted providers.

~~(b) A dental organization may satisfy paragraph (a) by complying with section 62Q.735, subdivision 1, paragraph (c).~~

Sec. 14. Minnesota Statutes 2022, section 62Q.76, is amended by adding a subdivision to read:

Subd. 9. **Third party.** "Third party" means a person or entity that enters into a contract with a dental organization or with another third party to gain access to the dental care services or contractual discounts under a dental provider contract. Third party does not include an enrollee of a dental organization or an employer or other group for whom the dental organization provides administrative services.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to dental plans and dental provider agreements offered, issued, or renewed on or after that date.

Sec. 15. Minnesota Statutes 2022, section 62Q.78, is amended by adding a subdivision to read:

Subd. 7. **Method of payments.** A dental provider contract must include a method of payment for dental care services in which no fees associated with the method of payment, including credit card fees and fees related to payment in the form of digital or virtual currency, are incurred by the dentist or dental clinic. Any fees that may be incurred from a payment must be disclosed to a dentist prior to entering into or renewing a dental provider contract. For purposes of this section, fees related to a provider's electronic claims processing vendor, financial institution, or other vendor used by a provider to facilitate the submission of claims are excluded.

Sec. 16. Minnesota Statutes 2022, section 62Q.78, is amended by adding a subdivision to read:

Subd. 8. **Network leasing.** (a) A dental organization may grant a third party access to a dental provider contract or a provider's dental care services or contractual discounts provided pursuant to a dental provider contract if, at the time the dental provider contract is entered into or renewed, the dental organization allows a dentist to choose not to participate in third-party access to the dental provider contract, without any penalty to the dentist. The third-party access provision of the dental provider contract must be clearly identified. A dental organization must not grant a third party access to the dental provider contract of any dentist who does not participate in third-party access to the dental provider contract.

(b) Notwithstanding paragraph (a), if a dental organization exists solely for the purpose of recruiting dentists for dental provider contracts that establish a network to be leased to third parties, the dentist waives the right to choose whether to participate in third-party access.

(c) A dental organization may grant a third party access to a dental provider contract, or a dentist's dental care services or contractual discounts under a dental provider contract, if the following requirements are met:

(1) the dental organization lists all third parties that may have access to the dental provider contract on the dental organization's website, which must be updated at least once every 90 days;

(2) the dental provider contract states that the dental organization may enter into an agreement with a third party that would allow the third party to obtain the dental organization's rights and responsibilities as if the third party were the dental organization, and the dentist chose to participate in third-party access at the time the dental provider contract was entered into; and

(3) the third party accessing the dental provider contract agrees to comply with all applicable terms of the dental provider contract.

(d) A dentist is not bound by and is not required to perform dental care services under a dental provider contract granted to a third party in violation of this section.

(e) This subdivision does not apply when:

(1) the dental provider contract is for dental services provided under a public health plan program, including but not limited to medical assistance, MinnesotaCare, Medicare, or Medicare Advantage; or

(2) access to a dental provider contract is granted to a dental organization, an entity operating in accordance with the same brand licensee program as the dental organization or other entity, or to an entity that is an affiliate of the dental organization, provided the entity agrees to substantially similar terms and conditions as the originating dental provider contract between the dental organization and the dentist or dental clinic. A list of the dental organization's affiliates must be posted on the dental organization's website.

Sec. 17. [65A.298] HOMEOWNER'S INSURANCE; FORTIFIED PROGRAM STANDARDS.

Subdivision 1. **Definitions.** (a) For purposes of this section the following term has the meaning given.

(b) "Insurable property" means a residential property designated as meeting the Fortified program standards as administered by the Insurance Institute for Business and Home Safety (IBHS).

Subd. 2. **Fortified new property.** (a) An insurer shall provide a premium discount or an insurance rate reduction to an owner who builds or locates a new insurable property in Minnesota.

(b) An owner of insurable property claiming a premium discount or rate reduction under this subdivision must submit a certificate issued by IBHS showing proof of compliance with the Fortified program standards to the insurer prior to receiving the premium discount or rate reduction.

Subd. 3. **Fortified existing property.** (a) An insurer shall provide a premium discount or insurance rate reduction to an owner who retrofits an existing property to meet the requirements to be an insurable property in Minnesota.

(b) An owner of insurable property claiming a premium discount or rate reduction under this subdivision must submit a certificate issued by IBHS showing proof of compliance with the Fortified program standards to the insurer prior to receiving the premium discount or rate reduction.

Subd. 4. **Insurers.** (a) An insurer must submit to the commissioner actuarially justified rates and a rating plan for a person who builds or locates a new insurable property in Minnesota.

(b) An insurer must submit to the commissioner actuarially justified rates and a rating plan for a person who retrofits an existing property to meet the requirements to be an insurable property.

(c) An insurer may offer, in addition to the premium discount and insurance rate reductions required under subdivisions 2 and 3, more generous mitigation adjustments to an owner of insurable property.

(d) Any premium discount, rate reduction, or mitigation adjustment offered by an insurer under this section applies only to policies that include wind coverage and may be applied only to the portion of the premium for wind coverage, or for the total premium if the insurer does not separate the premium for wind coverage in its rate filing.

(e) A rate and rating plan submitted to the commissioner under this section shall not be used until the expiration of 60 days after it has been filed unless the commissioner approves it before that time. In evaluating insurer submissions under this section prior to approval for use, the commissioner must:

(1) evaluate evidence of cost savings directly attributed to the Fortified program standards administered by IBHS; and

(2) evaluate whether those cost savings are passed along in full to qualified policyholders.

(f) Insurers must resubmit rates and rating plans at least every five years following their initial submissions under this section for review and approval by the commissioner.

(g) The commissioner shall annually publish the premium savings policyholders experienced because of the program.

(h) Participating insurers shall provide to the commissioner any information requested by the commissioner for the purposes of this paragraph.

Sec. 18. **[65A.299] STRENGTHEN MINNESOTA HOMES PROGRAM.**

Subdivision 1. **Short title.** This section may be cited as the "Strengthen Minnesota Homes Act."

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

(b) "Insurable property" has the meaning given in section 65A.298, subdivision 3.

(c) "Program" means the Strengthen Minnesota Homes program established under this section.

Subd. 3. **Program established; purpose, permitted activities.** The Strengthen Minnesota Homes program is established within the Department of Commerce. The purpose of the program is to provide grants to retrofit insurable property to resist loss due to common perils, including but not limited to tornadoes or other catastrophic windstorm events.

Subd. 4. **Strengthen Minnesota homes account; appropriation.** (a) A strengthen Minnesota homes account is created as a separate account in the special revenue fund of the state treasury. The account consists of money provided by law and any other money donated, allotted, transferred, or otherwise provided to the account. Earnings, including interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money remaining in the account at the end of a fiscal year does not cancel to the general fund and remains in the account until expended. The commissioner must manage the account.

(b) Money in the account is appropriated to the commissioner to pay for (1) grants issued under the program, and (2) the reasonable costs incurred by the commissioner to administer the program.

Subd. 5. **Use of grants.** (a) A grant under this section must be used to retrofit an insurable property.

(b) Grant money provided under this section must not be used for maintenance or repairs, but may be used in conjunction with repairs or reconstruction necessitated by damage from wind or hail.

(c) A project funded by a grant under this section must be completed within three months of the date the grant is approved. Failure to complete the project in a timely manner may result in forfeiture of the grant.

Subd. 6. **Applicant eligibility.** The commissioner must develop (1) administrative procedures to implement this section, and (2) criteria used to determine whether an applicant is eligible for a grant under this section.

Subd. 7. **Contractor eligibility; conflicts of interest.** (a) To be eligible to work as a contractor on a project funded by a grant under this section, the contractor must meet all of the following program requirements and must maintain a current copy of all certificates, licenses, and proof of insurance coverage with the program office. The eligible contractor must:

(1) hold a valid residential building contractor and residential remodeler license issued by the commissioner of labor and industry;

(2) not be subject to disciplinary action by the commissioner of labor and industry;

(3) hold any other valid state or jurisdictional business license or work permits required by law;

(4) possess an in-force general liability policy with \$1,000,000 in liability coverage;

(5) possess an in-force workers compensation policy with \$1,000,000 in coverage;

(6) possess a certificate of compliance from the commissioner of revenue;

(7) successfully complete the Fortified Roof for High Wind and Hail training provided by the IBHS and maintain an active certification or IBHS's successor and provide a certificate of successful completion. The training may be offered as separate courses;

(8) agree to the terms and successfully register as a vendor with the commissioner of management and budget and receive direct deposit of payment for mitigation work performed under the program;

(9) maintain Internet access and keep a valid email address on file with the program and remain active in the commissioner of management and budget's vendor and supplier portal while working on the program;

(10) maintain an active email address for the communication with the program;

(11) successfully complete the program training; and

(12) agree to follow program procedures and rules established under this section and by the commissioner.

(b) An eligible contractor must not have a financial interest, other than payment on behalf of the homeowner, in any project for which the eligible contractor performs work toward a fortified

designation under the program. An eligible contractor is prohibited from acting as the evaluator for a fortified designation on any project funded by the program. An eligible contractor must report to the commissioner regarding any potential conflict of interest before work commences on any job funded by the program.

Subd. 8. **Evaluator eligibility; conflicts of interest.** (a) To be eligible to work on the program as an evaluator, the evaluator must meet all program eligibility requirements and must submit to the commissioner and maintain a copy of all current certificates and licenses. The evaluator must:

(1) be in good standing with IBHS and maintain an active certification as a fortified home evaluator for hurricane and high wind and hail or a successor certification;

(2) possess a Minnesota business license and be registered with the secretary of state; and

(3) successfully complete the program training.

(b) Evaluators must not have a financial interest in any project that the evaluator inspects for designation purposes for the program. An evaluator must not be an eligible contractor or supplier of any material, product, or system installed in any home that the evaluator inspects for designation purposes for the program. An evaluator must not be a sales agent for any home being designated for the program. An evaluator must inform the commissioner of any potential conflict of interest impacting the evaluator's participation in the program.

Subd. 9. **Grant approval; allocation.** (a) The commissioner must review all applications for completeness and must perform appropriate audits to verify (1) the accuracy of the information on the application, and (2) that the applicant meets all eligibility rules. All verified applicants must be placed in the order the application was received. Grants must be awarded on a first-come, first-served basis, subject to availability of money for the program.

(b) When a grant is approved, an approval letter must be sent to the applicant.

(c) An eligible contractor is prohibited from beginning work until a grant is approved.

(d) In order to assure equitable distribution of grants in proportion to the income demographics in counties where the program is made available, grant applications must be accepted on a first-come, first-served basis. The commissioner may establish pilot projects as needed to establish a sustainable program distribution system in any geographic area within Minnesota.

Subd. 10. **Grant award process; release of grant money.** (a) After a grant application is approved, the eligible contractor selected by the homeowner may begin the mitigation work.

(b) Once the mitigation work is completed, the eligible contractor must submit a copy of the signed contract to the commissioner, along with an invoice seeking payment and an affidavit stating the fortified standards were met by the work.

(c) The IBHS evaluator must conduct all required evaluations, including a required interim inspection during construction and the final inspection, and must confirm that the work was completed according to the mitigation specifications.

(d) Grant money must be released on behalf of an approved applicant only after a fortified designation certificate has been issued for the home. The program or another designated entity must, on behalf of the homeowner, directly pay the eligible contractor that performed the mitigation work. The program or the program's designated entity must pay the eligible contractor the costs covered by the grant. The homeowner must pay the eligible contractor for the remaining cost after receiving an IBHS fortified certificate.

(e) The program must confirm that the homeowner's insurer provides the appropriate premium credit.

(f) The program must conduct random reinspections to detect any fraud and must submit any irregularities to the attorney general.

Subd. 11. **Limitations.** (a) This section does not create an entitlement for property owners or obligate the state of Minnesota to pay for residential property in Minnesota to be inspected or retrofitted. The program under this section is subject to legislative appropriations, the receipt of federal grants or money, or the receipt of other sources of grants or money. The department may obtain grants or other money from the federal government or other funding sources to support and enhance program activities.

(b) All mitigation under this section is contingent upon securing all required local permits and applicable inspections to comply with local building codes and applicable Fortified program standards. A mitigation project receiving a grant under this section is subject to random reinspection at a later date.

Sec. 19. Minnesota Statutes 2022, section 65B.49, is amended by adding a subdivision to read:

Subd. 10. **Time limitations.** (a) Unless expressly provided for in this chapter, a plan of reparation security must conform to the six-year time limitation provided under section 541.05, subdivision 1, clause (1).

(b) The time limitation for commencing a cause of action relating to underinsured motorist coverage under subdivision 3a is four years from the date of accrual.

EFFECTIVE DATE. This section is effective on August 1, 2023, and applies to contracts issued or renewed on or after that date.

Sec. 20. Minnesota Statutes 2022, section 80A.50, is amended to read:

80A.50 SECTION 302; FEDERAL COVERED SECURITIES; SMALL CORPORATE OFFERING REGISTRATION.

(a) Federal covered securities.

(1) Required filing of records. With respect to a federal covered security, as defined in Section 18(b)(2) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(2)), that is not otherwise exempt under sections 80A.45 through 80A.47, a rule adopted or order issued under this chapter may require the filing of any or all of the following records:

(A) before the initial offer of a federal covered security in this state, all records that are part of a federal registration statement filed with the Securities and Exchange Commission under the Securities Act of 1933 and a consent to service of process complying with section 80A.88 signed by the issuer;

(B) after the initial offer of the federal covered security in this state, all records that are part of an amendment to a federal registration statement filed with the Securities and Exchange Commission under the Securities Act of 1933; and

(C) to the extent necessary or appropriate to compute fees, a report of the value of the federal covered securities sold or offered to persons present in this state, if the sales data are not included in records filed with the Securities and Exchange Commission.

(2) **Notice filing effectiveness and renewal.** A notice filing under subsection (a) is effective for one year commencing on the later of the notice filing or the effectiveness of the offering filed with the Securities and Exchange Commission. On or before expiration, the issuer may renew a notice filing by filing a copy of those records filed by the issuer with the Securities and Exchange Commission that are required by rule or order under this chapter to be filed. A previously filed consent to service of process complying with section 80A.88 may be incorporated by reference in a renewal. A renewed notice filing becomes effective upon the expiration of the filing being renewed.

(3) **Notice filings for federal covered securities under section 18(b)(4)(D).** With respect to a security that is a federal covered security under Section 18(b)(4)(D) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(4)(D)), a rule under this chapter may require a notice filing by or on behalf of an issuer to include a copy of Form D, including the Appendix, as promulgated by the Securities and Exchange Commission, and a consent to service of process complying with section 80A.88 signed by the issuer not later than 15 days after the first sale of the federal covered security in this state.

(4) **Stop orders.** Except with respect to a federal security under Section 18(b)(1) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(1)), if the administrator finds that there is a failure to comply with a notice or fee requirement of this section, the administrator may issue a stop order suspending the offer and sale of a federal covered security in this state. If the deficiency is corrected, the stop order is void as of the time of its issuance and no penalty may be imposed by the administrator.

(b) Small corporation offering registration.

(1) **Registration required.** A security meeting the conditions set forth in this section may be registered as set forth in this section.

(2) **Availability.** Registration under this section is available only to the issuer of securities and not to an affiliate of the issuer or to any other person for resale of the issuer's securities. The issuer must be organized under the laws of one of the states or possessions of the United States. The securities offered must be exempt from registration under the Securities Act of 1933 pursuant to Rule 504 of Regulation D (15 U.S.C. Section 77c).

(3) **Disqualification.** Registration under this section is not available to any of the following issuers:

(A) an issuer subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934;

(B) an investment company;

(C) a development stage company that either has no specific business plan or purpose or has indicated that its business plan is to engage in a merger or acquisition with an unidentified company or companies or other entity or person;

(D) an issuer if the issuer or any of its predecessors, officers, directors, governors, partners, ten percent stock or equity holders, promoters, or any selling agents of the securities to be offered, or any officer, director, governor, or partner of the selling agent:

(i) has filed a registration statement that is the subject of a currently effective registration stop order entered under a federal or state securities law within five years before the filing of the small corporate offering registration application;

(ii) has been convicted within five years before the filing of the small corporate offering registration application of a felony or misdemeanor in connection with the offer, purchase, or sale of a security or a felony involving fraud or deceit, including, but not limited to, forgery, embezzlement, obtaining money under false pretenses, larceny, or conspiracy to defraud;

(iii) is currently subject to a state administrative enforcement order or judgment entered by a state securities administrator or the Securities and Exchange Commission within five years before the filing of the small corporate offering registration application, or is subject to a federal or state administrative enforcement order or judgment in which fraud or deceit, including, but not limited to, making untrue statements of material facts or omitting to state material facts, was found and the order or judgment was entered within five years before the filing of the small corporate offering registration application;

(iv) is currently subject to an order, judgment, or decree of a court of competent jurisdiction temporarily restraining or enjoining, or is subject to an order, judgment, or decree of a court of competent jurisdiction permanently restraining or enjoining the party from engaging in or continuing any conduct or practice in connection with the purchase or sale of any security or involving the making of a false filing with a state or with the Securities and Exchange Commission entered within five years before the filing of the small corporate offering registration application; or

(v) is subject to a state's administrative enforcement order, or judgment that prohibits, denies, or revokes the use of an exemption for registration in connection with the offer, purchase, or sale of securities,

(I) except that clauses (i) to (iv) do not apply if the person subject to the disqualification is duly licensed or registered to conduct securities-related business in the state in which the administrative order or judgment was entered against the person or if the dealer employing the party is licensed or registered in this state and the form BD filed in this state discloses the order, conviction, judgment, or decree relating to the person, and

(II) except that the disqualification under this subdivision is automatically waived if the state securities administrator or federal agency that created the basis for disqualification determines upon a showing of good cause that it is not necessary under the circumstances to deny the registration.

(4) Filing and effectiveness of registration statement. A small corporate offering registration statement must be filed with the administrator. If no stop order is in effect and no proceeding is pending under section 80A.54, such registration statement shall become effective automatically at the close of business on the 20th day after filing of the registration statement or the last amendment of the registration statement or at such earlier time as the administrator may designate by rule or order. For the purposes of a nonissuer transaction, other than by an affiliate of the issuer, all outstanding securities of the same class identified in the small corporate offering registration statement as a security registered under this chapter are considered to be registered while the small corporate offering registration statement is effective. A small corporate offering registration statement is effective for one year after its effective date or for any longer period designated in an order under this chapter. A small corporate offering registration statement may be withdrawn only with the approval of the administrator.

(5) Contents of registration statement. A small corporate offering registration statement under this section shall be on Form U-7, including exhibits required by the instructions thereto, as adopted by the North American Securities Administrators Association, or such alternative form as may be designated by the administrator by rule or order and must include:

(A) a consent to service of process complying with section 80A.88;

(B) a statement of the type and amount of securities to be offered and the amount of securities to be offered in this state;

(C) a specimen or copy of the security being registered, unless the security is uncertificated, a copy of the issuer's articles of incorporation and bylaws or their substantial equivalents in effect, and a copy of any indenture or other instrument covering the security to be registered;

(D) a signed or conformed copy of an opinion of counsel concerning the legality of the securities being registered which states whether the securities, when sold, will be validly issued, fully paid, and nonassessable and, if debt securities, binding obligations of the issuer;

(E) the states (i) in which the securities are proposed to be offered; (ii) in which a registration statement or similar filing has been made in connection with the offering including information as to effectiveness of each such filing; and (iii) in which a stop order or similar proceeding has been entered or in which proceedings or actions seeking such an order are pending;

(F) a copy of the offering document proposed to be delivered to offerees; and

(G) a copy of any other pamphlet, circular, form letter, advertisement, or other sales literature intended as of the effective date to be used in connection with the offering and any solicitation of interest used in compliance with section 80A.46(17)(B).

(6) Copy to purchaser. A copy of the offering document as filed with the administrator must be delivered to each person purchasing the securities prior to sale of the securities to such person.

(c) **Offering limit.** Offers and sales of securities under a small corporate offering registration as set forth in this section are allowed up to the limit prescribed by Code of Federal Regulations, title 17, part 230.504(b)(2), as amended.

Sec. 21. Minnesota Statutes 2022, section 103G.291, subdivision 4, is amended to read:

Subd. 4. **Demand reduction measures.** (a) For the purposes of this section, "demand reduction measures" means measures that reduce water demand, water losses, peak water demands, and nonessential water uses. Demand reduction measures must include a conservation rate structure, or a uniform rate structure with a conservation program that achieves demand reduction. A "conservation rate structure" means a rate structure that encourages conservation and may include increasing block rates, seasonal rates, time of use rates, individualized goal rates, or excess use rates. If a conservation rate is applied to multifamily dwellings or a manufactured home park, as defined in section 327C.015, subdivision 8, the rate structure must consider each residential unit as an individual user.

(b) To encourage conservation, a public water supplier serving more than 1,000 people must implement demand reduction measures by January 1, 2015.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to a billing period that begins on or after that date.

Sec. 22. Minnesota Statutes 2022, section 237.066, is amended to read:

237.066 STATE GOVERNMENT PRICING PLANS.

Subdivision 1. **Purpose.** A state government or Tribal government telecommunications pricing plan is authorized and found to be in the public interest as it will:

(1) provide and ensure availability of high-quality, technologically advanced telecommunications services at a reasonable cost to the state or Tribal government; and

(2) further the state telecommunications goals as set forth in section 237.011.

Subd. 2. **Program participation.** A state government or Tribal government telecommunications pricing plan may be available to serve individually or collectively: state agencies; Tribal governments; educational institutions, including public schools and Tribal schools complying with section 120A.05, subdivision 9, 11, 13, or 17, and nonpublic schools complying with sections 120A.22, 120A.24, and 120A.41; private colleges; public corporations; and political subdivisions of the state or a Tribal nation. Plans shall be available to carry out the commissioner of administration's duties under sections 16E.17 and 16E.18 and shall also be available to those entities not using the commissioner for contracting for telecommunications services.

Subd. 3. **Rates.** Notwithstanding section 237.09, 237.14, 237.60, subdivision 3, or 237.74, a telephone company or a telecommunications carrier may, individually or in cooperation with other telephone companies or telecommunications carriers, develop and offer basic or advanced telecommunications services at discounted or reduced rates as a state government or Tribal government telecommunications pricing plan. Any telecommunications services provided under any state government or Tribal government telecommunications pricing plan shall be used exclusively

by ~~those~~ the entities described in subdivision 2 subject to the plan solely for ~~their~~ the entities' own use and shall not be made available to any other entities by resale, sublease, or in any other way.

Subd. 4. **Applicability to other customers.** A telephone company or telecommunications carrier providing telecommunications services under a state government or Tribal government telecommunications pricing plan is not required to provide any other person or entity those services at the rates made available to the state or Tribal government.

Subd. 5. **Commission review.** (a) The terms and conditions of any state government or Tribal government telecommunications pricing plan must be submitted to the commission for ~~its~~ review and approval within 90 days before implementation to:

(1) ensure that the terms and conditions benefit the state or Tribal nation and not any private entity;

(2) ensure that the rates for any telecommunications service in any state government or Tribal government telecommunications pricing plan are at or below any applicable tariffed rates; and

(3) ensure that the state telecommunications or Tribal government pricing plan meets the requirements of this section and is in the public interest.

(b) The commission shall reject any state government or Tribal government telecommunications pricing plan that does not meet ~~these~~ the criteria in paragraph (a).

Sec. 23. Minnesota Statutes 2022, section 325D.01, subdivision 5, is amended to read:

Subd. 5. **Cost.** The term "cost," as applied to the wholesale or retail vendor, means:

(1) the actual current delivered invoice or replacement cost, whichever is lower, without deducting customary cash discounts, plus any excise or sales taxes imposed on such commodity, goods, wares or merchandise subsequent to the purchase thereof and prior to the resale thereof, plus the cost of doing business at that location by the vendor; and

(2) where a manufacturer publishes a list price and discounts, in determining such "cost" the manufacturer's published list price then currently in effect, less the published trade discount but without deducting the customary cash discount, plus any excise or sales taxes imposed on such commodity, goods, wares or merchandise subsequent to the purchase thereof and prior to the resale thereof, plus the cost of doing business by the vendor shall be prima facie evidence of "cost";

~~(3) for purposes of gasoline offered for sale by way of posted price or indicating meter by a retailer, at a retail location where gasoline is dispensed into passenger automobiles and trucks by the consumer, "cost" means the average terminal price on the day, at the terminal from which the most recent supply of gasoline delivered to the retail location was acquired, plus all applicable state and federal excise taxes and fees, plus the lesser of six percent or eight cents.~~

Sec. 24. Minnesota Statutes 2022, section 325E.31, is amended to read:

325E.31 REMEDIES.

(a) A person who is found to have violated sections 325E.27 to 325E.30 is subject to the penalties and remedies, including a private right of action to recover damages, as provided in section 8.31.

(b) In addition to the penalties and remedies under paragraph (a), the attorney general is entitled to sue for and recover on behalf of the state a civil penalty from a person found to have violated sections 325E.27 to 325E.30. The court must determine the civil penalty amount, which must not exceed \$100,000.

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

Sec. 25. [325E.67] POST-LOSS ASSIGNMENT OF BENEFITS.

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

(b) "Residential contractor" means a residential roofer, as defined in section 326B.802, subdivision 14; a residential building contractor, as defined in section 326B.802, subdivision 11; or a residential remodeler, as defined in section 326B.802, subdivision 12.

(c) "Residential real estate" means a new or existing building, including appurtenant structures, constructed for habitation by at least one family but no more than four families.

Subd. 2. **Post-loss assignment.** A post-loss assignment of rights or benefits to a residential contractor under a property and casualty insurance policy insuring residential real estate must comply with the following:

(1) the assignment must only authorize a residential contractor to be named as a copayee for the payment of benefits under a property and casualty insurance policy covering residential real estate;

(2) the assignment must include all of the following:

(i) an itemized description of the work to be performed;

(ii) an itemized description of materials, labor, and fees for the work to be performed; and

(iii) a total itemized amount to be paid for the work to be performed;

(3) the assignment must include a statement that the residential contractor has made no assurances that the claimed loss is fully covered by an insurance contract and must include the following notice in capitalized 14-point type:

"YOU ARE AGREEING TO ASSIGN CERTAIN RIGHTS YOU HAVE UNDER YOUR INSURANCE POLICY. THE ITEMIZED DESCRIPTION OF THE WORK PERFORMED, AS SET FORTH IN THIS ASSIGNMENT FORM, HAS NOT BEEN AGREED TO BY THE INSURER. PLEASE READ AND UNDERSTAND THIS DOCUMENT BEFORE SIGNING. THE INSURER MAY ONLY PAY FOR THE REASONABLE COST TO REPAIR OR REPLACE DAMAGED PROPERTY CAUSED BY A COVERED PERIL, SUBJECT TO THE TERMS OF THE POLICY.";

(4) the named insured has the right to cancel the assignment within ten business days after receipt of the scope of work by the insurance company. The cancellation must be made in writing or a comparable digital format. Within ten business days of the date of the written cancellation, the residential contractor must tender to the named insured, the landowner, or the possessor of the real estate any payments, partial payments, or deposits that have been made by that person;

(5) the assignment must include the following notice in capitalized 14-point type, located in the immediate proximity of the space reserved in the assignment for the signature of the named insured:

"YOU MAY CANCEL THIS ASSIGNMENT WITHOUT PENALTY WITHIN TEN (10) BUSINESS DAYS FROM THE LATER OF THE DATE THE ASSIGNMENT IS EXECUTED OR THE DATE ON WHICH YOU RECEIVE A COPY OF THE EXECUTED ASSIGNMENT. YOU MUST CANCEL THE ASSIGNMENT IN WRITING AND THE CANCELLATION MUST BE DELIVERED TO [insert the name and address of residential contractor as provided by the residential contractor]. IF MAILED, THE CANCELLATION MUST BE POSTMARKED ON OR BEFORE THE TEN (10) BUSINESS DAY DEADLINE. IF YOU CANCEL THIS ASSIGNMENT, THE RESIDENTIAL CONTRACTOR HAS UP TO TEN (10) BUSINESS DAYS TO RETURN ANY PAYMENTS OR DEPOSITS YOU HAVE MADE.";

(6) the assignment must not impair the interests of a mortgagee or other parties with any legal interests listed on the declarations page of the property and casualty insurance policy that is the subject of the assignment; and

(7) the assignment must not prevent or inhibit an insurer from communicating with the named insured or mortgagee listed on the declarations page of the property and casualty insurance policy that is the subject of the assignment.

Subd. 3. **Other requirements.** A residential contractor receiving the assignment described in subdivision 2 must:

(1) deliver a copy of the assignment to the insurer of the residential real estate within five business days of the date the assignment is executed;

(2) cooperate with the insurer of the residential real estate in an investigation into the claim by providing documents and records requested by the insurer and complying with the post-loss duties under the insurance policy; and

(3) comply with section 325E.66.

Subd. 4. **Certain assignments void.** A post-loss assignment of benefits entered into with a residential contractor that violates any provision of the federal Insured Homeowner's Protection Act of 1998, Public Law 105-216, as amended, is void.

Sec. 26. **[325E.72] DIGITAL FAIR REPAIR.**

Subdivision 1. **Short title.** This act may be cited as the "Digital Fair Repair Act."

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

(b) "Authorized repair provider" means an individual or business who is unaffiliated with an original equipment manufacturer and who has: (1) an arrangement with the original equipment manufacturer, for a definite or indefinite period, under which the original equipment manufacturer grants to the individual or business a license to use a trade name, service mark, or other proprietary identifier to offer diagnostic, maintenance, or repair services for digital electronic equipment under the name of the original equipment manufacturer; or (2) an arrangement with the original equipment manufacturer to offer diagnostic, maintenance, or repair services for digital electronic equipment on behalf of the original equipment manufacturer. An original equipment manufacturer that offers diagnostic, maintenance, or repair services for the original equipment manufacturer's digital electronic equipment is considered an authorized repair provider with respect to the digital electronic equipment if the original equipment manufacturer does not have an arrangement described in this paragraph with an unaffiliated individual or business.

(c) "Digital electronic equipment" or "equipment" means any product that depends, in whole or in part, on digital electronics embedded in or attached to the product in order for the product to function.

(d) "Documentation" means a manual, diagram, reporting output, service code description, schematic diagram, or similar information provided to an authorized repair provider to facilitate diagnostic, maintenance, or repair services for digital electronic equipment.

(e) "Embedded software" means any programmable instructions provided on firmware delivered with digital electronic equipment, or with a part for the equipment, in order to operate the equipment. Embedded software includes all relevant patches and fixes made by the manufacturer of the equipment or part in order to operate the equipment.

(f) "Fair and reasonable terms" means, with respect to:

(1) parts offered by an original equipment manufacturer:

(i) costs that are fair to both parties, considering the agreed-upon conditions, promised quality, and timeliness of delivery; and

(ii) terms that do not impose on an owner or an independent repair provider:

(A) a substantial obligation to use or restrict the use of the part to diagnose, maintain, or repair agricultural equipment sold, leased, or otherwise supplied by the original equipment manufacturer, including a condition that the owner or independent repair provider become an authorized repair provider of the original equipment manufacturer; or

(B) a requirement that a part be registered, paired with, or approved by the original equipment manufacturer or an authorized repair provider before the part is operational or prohibit an original equipment manufacturer from imposing any additional cost or burden that is not reasonably necessary or is designed to be an impediment on the owner or independent repair provider;

(2) tools, software, and documentation offered by an original equipment manufacturer:

(i) costs that are equivalent to the lowest actual cost for which the original equipment manufacturer offers the tool, software, or documentation to an authorized repair provider, including any discount, rebate, or other financial incentive offered to an authorized repair provider; and

(ii) terms that are equivalent to the most favorable terms under which an original equipment manufacturer offers the tool, software, or documentation to an authorized repair provider, including the methods and timeliness of delivery of the tool, software, or documentation, do not impose on an owner or an independent repair provider:

(A) a substantial obligation to use or restrict the use of the tool, software, or documentation to diagnose, maintain, or repair agricultural equipment sold, leased, or otherwise supplied by the original equipment manufacturer, including a condition that the owner or independent repair provider become an authorized repair provider of the original equipment manufacturer; or

(B) a requirement that a tool be registered, paired with, or approved by the original equipment manufacturer or an authorized repair provider before the part or tool is operational; and

(3) documentation offered by an original equipment manufacturer: that the documentation is made available by the original equipment manufacturer at no charge, except that when the documentation is requested in physical printed form, a charge may be included for the reasonable actual costs of preparing and sending the copy.

(g) "Firmware" means a software program or set of instructions programmed on digital electronic equipment, or on a part of the equipment, in order to allow the equipment or part to communicate with other computer hardware.

(h) "Independent repair provider" means an individual or business operating in Minnesota that: (1) does not have an arrangement described in paragraph (b) with an original equipment manufacturer; (2) is not affiliated with any individual or business that has an arrangement described in paragraph (b); and (3) is engaged in providing diagnostic, maintenance, or repair services for digital electronic equipment. An original equipment manufacturer or, with respect to the original equipment manufacturer, an individual or business that has an arrangement with the original equipment manufacturer or is affiliated with an individual or business that has an arrangement with that original equipment manufacturer, is considered an independent repair provider for purposes of the instances the original equipment manufacturer engages in diagnostic, maintenance, or repair services for digital electronic equipment that is not manufactured by or sold under the name of the original equipment manufacturer.

(i) "Manufacturer of motor vehicle equipment" means a business engaged in the business of manufacturing or supplying components used to manufacture, maintain, or repair a motor vehicle.

(j) "Motor vehicle" means a vehicle that is: (1) designed to transport persons or property on a street or highway; and (2) certified by the manufacturer under (i) all applicable federal safety and emissions standards, and (ii) all requirements for distribution and sale in the United States. Motor vehicle does not include a motorcycle, a recreational vehicle, or an auto home equipped for habitation.

(k) "Motor vehicle dealer" means an individual or business that, in the ordinary course of business: (1) is engaged in the business of selling or leasing new motor vehicles to an individual or business pursuant to a franchise agreement; (2) has obtained a license under section 168.27; and (3)

is engaged in providing diagnostic, maintenance, or repair services for motor vehicles or motor vehicle engines pursuant to a franchise agreement.

(l) "Motor vehicle manufacturer" means a business engaged in the business of manufacturing or assembling new motor vehicles.

(m) "Original equipment manufacturer" means a business engaged in the business of selling or leasing to any individual or business new digital electronic equipment manufactured by or on behalf of the original equipment manufacturer.

(n) "Owner" means an individual or business that owns or leases digital electronic equipment purchased or used in Minnesota.

(o) "Part" means any replacement part, either new or used, made available by an original equipment manufacturer to facilitate the maintenance or repair of digital electronic equipment manufactured or sold by the original equipment manufacturer.

(p) "Trade secret" has the meaning given in section 325C.01, subdivision 5.

Subd. 3. **Requirements.** (a) For digital electronic equipment and parts for the equipment sold or used in Minnesota, an original equipment manufacturer must make available to any independent repair provider or to the owner of digital electronic equipment manufactured by or on behalf of, or sold by, the original equipment manufacturer, on fair and reasonable terms, documentation, parts, and tools, inclusive of any updates to information or embedded software, for diagnostic, maintenance, or repair purposes. Nothing in this section requires an original equipment manufacturer to make available a part if the part is no longer available to the original equipment manufacturer.

(b) For equipment that contains an electronic security lock or other security-related function, the original equipment manufacturer must make available to the owner and to independent repair providers, on fair and reasonable terms, any special documentation, tools, and parts needed to reset the lock or function when disabled in the course of performing diagnostic, maintenance, or repair services on the equipment. Documentation, tools, and parts may be made available through appropriate secure release systems.

Subd. 4. **Enforcement by attorney general.** A violation of this section is an unlawful practice under section 325D.44. All remedies, penalties, and authority granted to the attorney general under chapter 8 are available to the attorney general to enforce this section.

Subd. 5. **Limitations.** (a) Nothing in this section requires an original equipment manufacturer to divulge a trade secret to an owner or an independent service provider, except as necessary to provide documentation, parts, and tools on fair and reasonable terms.

(b) Nothing in this section alters the terms of any arrangement described in subdivision 2, paragraph (b), including but not limited to the performance or provision of warranty or recall repair work by an authorized repair provider on behalf of an original equipment manufacturer pursuant to the arrangement, in force between an authorized repair provider and an original equipment manufacturer. A provision in the terms of an arrangement described in subdivision 2, paragraph (b), that purports to waive, avoid, restrict, or limit the original equipment manufacturer's obligations to comply with this section is void and unenforceable.

(c) Nothing in this section requires an original equipment manufacturer or an authorized repair provider to provide to an owner or independent repair provider access to information, other than documentation, that is provided by the original equipment manufacturer to an authorized repair provider pursuant to the terms of an arrangement described in subdivision 2, paragraph (b).

(d) Nothing in this section requires an original equipment manufacturer or authorized repair provider to make available any parts, tools, or documentation for the purpose of making modifications to any digital electronic equipment.

Subd. 6. **Exclusions.** (a) Nothing in this section applies to: (1) a motor vehicle manufacturer, manufacturer of motor vehicle equipment, or motor vehicle dealer acting in that capacity; or (2) any product or service of a motor vehicle manufacturer, manufacturer of motor vehicle equipment, or motor vehicle dealer acting in that capacity.

(b) Nothing in this section applies to manufacturers or distributors of a medical device as defined in the Federal Food, Drug, and Cosmetic Act, codified at United States Code, title 21, section 301 et seq., or a digital electronic product or software manufactured for use in a medical setting, including diagnostic, monitoring, or control equipment or any product or service that the manufacturer or distributor of a medical device offers.

(c) Nothing in this section applies to manufacturers, distributors, importers, or dealers of any off-road or nonroad equipment, including without limitation farm and utility tractors; farm implements; farm machinery; forestry equipment; industrial equipment; utility equipment; construction equipment; compact construction equipment; road-building equipment; mining equipment; turf, yard, and garden equipment; outdoor power equipment; portable generators; marine, all-terrain sports, and recreational vehicles, including without limitation racing vehicles; stand-alone or integrated stationary or mobile internal combustion engines; other power sources, including without limitation generator sets and electric, battery, and fuel cell power; power tools; and any tools, technology, attachments, accessories, components, and repair parts for any of the foregoing.

Subd. 7. **Applicability.** This section applies to equipment sold or in use on or after January 1, 2024.

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

Sec. 27. **[325E.80] ABNORMAL MARKET DISRUPTIONS; UNCONSCIONABLY EXCESSIVE PRICES.**

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

(b) "Essential consumer good or service" means a good or service that is vital for the health, safety, or welfare of the public, including without limitation: food; water; fuel; gasoline; shelter; transportation; health care services; pharmaceuticals; and medical, personal hygiene, sanitation, and cleaning supplies.

(c) "Seller" means a manufacturer, supplier, wholesaler, distributor, or retail seller of goods and services.

(d) "Unconscionably excessive price" means a price that represents a gross disparity compared to the seller's average price of an essential good or service, offered for sale or sold in the usual course of business, in the 60-day period before an abnormal market disruption is declared under subdivision 2. None of the following is an unconscionably excessive price:

(1) a price that is substantially related to an increase in the cost of manufacturing, obtaining, replacing, providing, or selling a good or service;

(2) a price that is no more than 25 percent above the seller's average price during the 60-day period before an abnormal market disruption is declared under subdivision 2;

(3) a price that is consistent with the fluctuations in applicable commodity markets or seasonal fluctuations; or

(4) a contract price, or the results of a price formula, that was established before an abnormal market disruption is declared under subdivision 2.

Subd. 2. **Abnormal market disruption.** (a) The governor may by executive order declare an abnormal market disruption if there is a substantial and atypical change in the market for an essential consumer good or service caused by an event that results in a declaration of a state of emergency by the governor.

(b) The governor's abnormal market disruption declaration must state that the declaration is activating this section and must specify the geographic area of Minnesota to which the declaration applies.

(c) A declaration under this subdivision terminates 30 days after the date that the state of emergency for which it was activated ends.

Subd. 3. **Notice.** Upon the implementation, renewal, limitation, or termination of an abnormal market disruption declaration made under subdivision 2: (1) the governor must immediately post notice on applicable government websites and provide notice to the media; and (2) the commissioner of commerce must provide notice directly to sellers by any practical means.

Subd. 4. **Prohibition.** If the governor declares an abnormal market disruption, a person is prohibited from selling or offering to sell an essential consumer good or service for an amount that represents an unconscionably excessive price during the period in which the abnormal market disruption declaration is effective.

Subd. 5. **Civil penalty.** A person who is found to have violated this section is subject to a civil penalty of not more than \$1,000 per sale or transaction, with a maximum penalty of \$25,000 per day, in addition to any damages that may be owed under subdivision 7.

Subd. 6. **Enforcement authority.** The attorney general may investigate and bring an action against a seller for an alleged violation of this section. If the attorney general investigates a violation of this section, the attorney general must: (1) promptly notify the seller that they are the subject of an investigation; and (2) notify the seller when the investigation closes. A notice issued by the attorney general notifying the seller that an investigation has closed is not a determination on the merits of an investigation.

Subd. 7. **Damages.** Any person, any governmental body, or the state of Minnesota or any of its subdivisions or agencies, injured directly or indirectly by a violation of this section may bring a civil action and may recover up to three times the actual damages sustained. In any subsequent action arising from the same conduct, the court may take any steps necessary to avoid duplicative recovery against a defendant. In any action brought by the attorney general pursuant to this section, the court may award any of the remedies allowable under this subdivision or otherwise permitted by law.

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

Sec. 28. Minnesota Statutes 2022, section 325F.662, subdivision 2, is amended to read:

Subd. 2. **Written warranty required.** (a) Every used motor vehicle sold by a dealer is covered by an express warranty which the dealer shall provide to the consumer in writing. At a minimum, the express warranty applies for the following terms:

(1) if the used motor vehicle has less than 36,000 miles, the warranty must remain in effect for at least 60 days or 2,500 miles, whichever comes first;

(2) if the used motor vehicle has 36,000 miles or more, but less than 75,000 miles, the warranty must remain in effect for at least 30 days or 1,000 miles, whichever comes first; and

(3) unless the vehicle is sold by a new motor vehicle dealer, as defined in section 168.27, subdivision 2, if the used motor vehicle has 75,000 miles or more, the warranty must remain in effect for at least 15 days or 500 miles, whichever comes first.

(b) The express warranty must require the dealer, in the event of a malfunction, defect, or failure in a covered part, to repair or replace the covered part, or at the dealer's election, to accept return of the used motor vehicle from the consumer and provide a refund to the consumer.

(c) For used motor vehicles with less than 36,000 miles, the dealer's express warranty shall cover, at minimum, the following parts:

(1) with respect to the engine, all lubricated parts, intake manifolds, engine block, cylinder head, rotary engine housings, and ring gear;

(2) with respect to the transmission, the automatic transmission case, internal parts, and the torque converter; or, the manual transmission case, and the internal parts;

(3) with respect to the drive axle, the axle housings and internal parts, axle shafts, drive shafts and output shafts, and universal joints; but excluding the secondary drive axle on vehicles, other than passenger vans, mounted on a truck chassis;

(4) with respect to the brakes, the master cylinder, vacuum assist booster, wheel cylinders, hydraulic lines and fittings, and disc brakes calipers;

(5) with respect to the steering, the steering gear housing and all internal parts, power steering pump, valve body, piston, and rack;

(6) the water pump;

(7) the externally mounted mechanical fuel pump;

(8) the radiator;

(9) the alternator, generator, and starter.

(d) For used motor vehicles with 36,000 miles or more, ~~but less than 75,000 miles~~, the dealer's express warranty shall cover, at minimum, the following parts:

(1) with respect to the engine, all lubricated parts, intake manifolds, engine block, cylinder head, rotary engine housings, and ring gear;

(2) with respect to the transmission, the automatic transmission case, internal parts, and the torque converter; or, the manual transmission case, and internal parts;

(3) with respect to the drive axle, the axle housings and internal parts, axle shafts, drive shafts and output shafts, and universal joints; but excluding the secondary drive axle on vehicles, other than passenger vans, mounted on a truck chassis;

(4) with respect to the brakes, the master cylinder, vacuum assist booster, wheel cylinders, hydraulic lines and fittings, and disc brake calipers;

(5) with respect to the steering, the steering gear housing and all internal parts, power steering pump, valve body, and piston;

(6) the water pump;

(7) the externally mounted mechanical fuel pump.

(e)(1) A dealer's obligations under the express warranty remain in effect notwithstanding the fact that the warranty period has expired, if the consumer promptly notified the dealer of the malfunction, defect, or failure in the covered part within the specified warranty period and, within a reasonable time after notification, brings the vehicle or arranges with the dealer to have the vehicle brought to the dealer for inspection and repair.

(2) If a dealer does not have a repair facility, the dealer shall designate where the vehicle must be taken for inspection and repair.

(3) In the event the malfunction, defect, or failure in the covered part occurs at a location which makes it impossible or unreasonable to return the vehicle to the selling dealer, the consumer may have the repairs completed elsewhere with the consent of the selling dealer, which consent may not be unreasonably withheld.

(4) Notwithstanding the provisions of this paragraph, a consumer may have nonwarranty maintenance and nonwarranty repairs performed other than by the selling dealer and without the selling dealer's consent.

(f) Nothing in this section diminishes the obligations of a manufacturer under an express warranty issued by the manufacturer. The express warranties created by this section do not require a dealer

to repair or replace a covered part if the repair or replacement is covered by a manufacturer's new car warranty, or the manufacturer otherwise agrees to repair or replace the part.

(g) The express warranties created by this section do not cover defects or repair problems which result from collision, abuse, negligence, or lack of adequate maintenance following sale to the consumer.

(h) The terms of the express warranty, including the duration of the warranty and the parts covered, must be fully, accurately, and conspicuously disclosed by the dealer on the front of the Buyers Guide.

Sec. 29. Minnesota Statutes 2022, 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) except for a used motor vehicle described in subdivision 2, paragraph (a), clause (3), 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) except for a used motor vehicle described in subdivision 2, paragraph (a), clause (3), 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)~~ (7) 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)~~ (8) that has been issued a certificate of title that bears a "salvage" brand or stamp under section 168A.151.

Sec. 30. **[325F.995] GENETIC INFORMATION PRIVACY ACT.**

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

(b) "Biological sample" means any material part of a human, discharge from a material part of a human, or derivative from a material part of a human, including but not limited to tissue, blood, urine, or saliva, that is known to contain deoxyribonucleic acid (DNA).

(c) "Consumer" means an individual who is a Minnesota resident.

(d) "Deidentified data" means data that cannot reasonably be used to infer information about, or otherwise be linked to, an identifiable consumer and that is subject to:

(1) administrative and technical measures to ensure the data cannot be associated with a particular consumer;

(2) public commitment by the company to (i) maintain and use data in deidentified form, and (ii) not attempt to reidentify the data; and

(3) legally enforceable contractual obligations that prohibit any recipients of the data from attempting to reidentify the data.

(e) "Direct-to-consumer genetic testing company" or "company" means an entity that: (1) offers consumer genetic testing products or services directly to consumers; or (2) collects, uses, or analyzes genetic data that was (i) collected via a direct-to-consumer genetic testing product or service, and (ii) provided to the company by a consumer. Direct-to-consumer genetic testing company does not include an entity that collects, uses, or analyzes genetic data or biological samples only in the context of research, as defined in Code of Federal Regulations, title 45, section 164.501, that is conducted in a manner that complies with the federal policy for the protection of human research subjects under Code of Federal Regulations, title 45, part 46; the Good Clinical Practice Guideline issued by the International Council for Harmonisation; or the United States Food and Drug Administration Policy for the Protection of Human Subjects under Code of Federal Regulations, title 21, parts 50 and 56.

(f) "Express consent" means a consumer's affirmative written response to a clear, meaningful, and prominent written notice regarding the collection, use, or disclosure of genetic data for a specific purpose.

(g) "Genetic data" means any data, regardless of the data's format, that concerns a consumer's genetic characteristics. Genetic data includes but is not limited to:

(1) raw sequence data that results from sequencing a consumer's complete extracted DNA or a portion of the extracted DNA;

(2) genotypic and phenotypic information that results from analyzing the raw sequence data; and

(3) self-reported health information that a consumer submits to a company regarding the consumer's health conditions and that is (i) used for scientific research or product development, and (ii) analyzed in connection with the consumer's raw sequence data.

Genetic data does not include deidentified data.

(h) "Genetic testing" means any laboratory test of a consumer's complete DNA, regions of a consumer's DNA, chromosomes, genes, or gene products to determine the presence of genetic characteristics.

(i) "Person" means an individual, partnership, corporation, association, business, business trust sole proprietorship, other entity, or representative of an organization.

(j) "Service provider" means a person that is involved in the collection, transportation, analysis of, or any other service in connection with, a consumer's biological sample, extracted genetic material, or genetic data on behalf of the direct-to-consumer genetic testing company, or on behalf of any other person that collects, uses, maintains, or discloses biological samples, extracted genetic material, or genetic data collected or derived from a direct-to-consumer genetic testing product or service, or is directly provided by a consumer, or the delivery of the results of the analysis of the biological sample, extracted genetic material, or genetic data.

Subd. 2. **Disclosure and consent requirements.** (a) To safeguard the privacy, confidentiality, security, and integrity of a consumer's genetic data, a direct-to-consumer genetic testing company must:

(1) provide clear and complete information regarding the company's policies and procedures governing the collection, use, maintenance, and disclosure of genetic data by making available to a consumer:

(i) a high-level privacy policy overview that includes basic, essential information about the company's collection, use, or disclosure of genetic data; and

(ii) a prominent, publicly available privacy notice that includes at a minimum information about the company's data collection, consent, use, access, disclosure, maintenance, transfer, security, retention, and deletion practices;

(2) obtain a consumer's express consent to collect, use, and disclose the consumer's genetic data, including at a minimum:

(i) initial express consent that clearly (A) describes the uses of the genetic data collected through the genetic testing product service, and (B) specifies who has access to the test results and how the genetic data may be shared;

(ii) separate express consent to (A) transfer or disclose the consumer's genetic data to any person other than the company's vendors and service providers, or (B) use genetic data beyond the primary purpose of the genetic testing product or service and inherent contextual uses;

(iii) separate express consent to retain any biological sample provided by the consumer following completion of the initial testing service requested by the consumer;

(iv) informed consent in compliance with federal policy for the protection of human research subjects under Code of Federal Regulations, title 45, part 46, to transfer or disclose the consumer's genetic data to a third-party person for research purposes or research conducted under the control of the company for publication or generalizable knowledge purposes; and

(v) express consent for marketing by (A) the direct-to-consumer genetic testing company to a consumer based on the consumer's genetic data, or (B) a third party to a consumer based on the consumer having ordered or purchased a genetic testing product or service. For purposes of this clause, "marketing" does not include customized content or offers provided on the websites or through the applications or services provided by the direct-to-consumer genetic testing company with the first-party relationship to the customer;

(3) not disclose genetic data to law enforcement or any other governmental agency without a consumer's express written consent unless the disclosure is made pursuant to a valid search warrant or court order;

(4) develop, implement, and maintain a comprehensive security program to protect a consumer's genetic data against unauthorized access, use, or disclosure; and

(5) provide a process for a consumer to:

(i) access the consumer's genetic data;

(ii) delete the consumer's account and genetic data; and

(iii) request and obtain the destruction of the consumer's biological sample.

(b) Notwithstanding any other provisions in this section, a direct-to-consumer genetic testing company is prohibited from disclosing a consumer's genetic data without the consumer's express consent to: (1) any entity offering health insurance, life insurance, or long-term care insurance; or (2) any employer of the consumer. Any consent under this paragraph must clearly identify the recipient of the consumer's genetic data proposed to be disclosed.

(c) A company that is subject to the requirements described in paragraph (a), clause (2), shall provide effective mechanisms, without any unnecessary steps, for a consumer to revoke any consent of the consumer or all of the consumer's consents after a consent is given, including at least one mechanism which utilizes the primary medium through which the company communicates to the consumer. If a consumer revokes a consent provided pursuant to paragraph (a), clause (2), the company shall honor the consumer's consent revocation as soon as practicable, but not later than 30 days after the consumer revokes consent. The company shall destroy a consumer's biological sample within 30 days of receipt of revocation of consent to store the sample.

(d) A direct-to-consumer genetic testing company must provide a clear and complete notice to a consumer that the consumer's deidentified data may be shared with or disclosed to third parties for research purposes in accordance with Code of Federal Regulations, title 45, part 46.

Subd. 3. Service provider agreements. (a) A contract between the company and a service provider must prohibit the service provider from retaining, using, or disclosing any biological sample, extracted genetic material, genetic data, or any information regarding the identity of the consumer, including whether that consumer has solicited or received genetic testing, as applicable, for any purpose other than for the specific purpose of performing the services specified in the service contract. The mandatory prohibition set forth in this subdivision requires a service contract to include, at minimum, the following provisions:

(1) a provision prohibiting the service provider from retaining, using, or disclosing the biological sample, extracted genetic material, genetic data, or any information regarding the identity of the consumer, including whether that consumer has solicited or received genetic testing, as applicable, for any purpose other than providing the services specified in the service contract; and

(2) a provision prohibiting the service provider from associating or combining the biological sample, extracted genetic material, genetic data, or any information regarding the identity of the consumer, including whether that consumer has solicited or received genetic testing, as applicable, with information the service provider has received from or on behalf of another person or persons, or has collected from its own interaction with consumers or as required by law.

(b) A service provider subject to this subdivision is subject to the same confidentiality obligations as a direct-to-consumer genetic testing company with respect to all biological samples, extracted genetic materials, and genetic material, or any information regarding the identity of any consumer in the service provider's possession.

Subd. 4. **Enforcement.** The commissioner of commerce may enforce this section under section 45.027.

Subd. 5. **Limitations.** This section does not apply to:

(1) protected health information that is collected by a covered entity or business associate, as those terms are defined in Code of Federal Regulations, title 45, parts 160 and 164;

(2) a public or private institution of higher education; or

(3) an entity owned or operated by a public or private institution of higher education.

Subd. 6. **Construction.** This section does not supersede the requirements and rights described in section 13.386 or the remedies available under chapter 13 for violations of section 13.386.

Sec. 31. Minnesota Statutes 2022, section 325G.051, subdivision 1, is amended to read:

Subdivision 1. **Limitation; prohibition.** (a) A seller or lessor of goods or services doing business in Minnesota may impose a surcharge on transactions in Minnesota with a purchaser customer who elects to use a credit or charge card in lieu of payment by cash, check, or similar means, provided:

(1) if the sale or lease of goods or services is processed in person, the seller or lessor informs the purchaser customer of the surcharge both orally at the time of sale and by a sign conspicuously posted on the seller's or lessor's premises;

(2) if the sale or lease of goods or services is processed through a website or mobile device, the seller or lessor informs the customer of the surcharge by conspicuously posting a surcharge notice during the sale, at the point of sale, on the customer order summary, or on the checkout page of the website;

(3) if the sale or lease of services is processed over the phone, the seller or lessor informs the customer of the surcharge orally; and ~~(2)~~

(4) the surcharge does not exceed five percent of the purchase price.

(b) A seller or lessor of goods or services that establishes and is responsible for ~~its~~ the seller or lessor's own customer credit or charge card may not impose a surcharge on a ~~purchaser~~ customer who elects to use that credit or charge card in lieu of payment by cash, check, or similar means.

(c) For purposes of this section "surcharge" means a fee or charge imposed by a seller or lessor upon a ~~buyer~~ customer that increases the price of goods or services to the ~~buyer~~ customer because the ~~buyer~~ customer uses a credit or charge card to purchase or lease the goods or services. The term does not include a discount offered by a seller or lessor to a ~~buyer~~ customer who makes payment for goods or services by cash, check, or similar means not involving a credit or charge card if the discount is offered to all prospective ~~buyers~~ customers and its availability is clearly and conspicuously disclosed to all prospective ~~buyers~~ customers.

(d) This subdivision applies to an agent of a seller or lessor.

Sec. 32. Minnesota Statutes 2022, section 327C.015, is amended by adding a subdivision to read:

Subd. 3a. **Commodity rate.** "Commodity rate" means the per unit price for utility service that varies directly with the volume of a resident's consumption of utility service and that is established or approved by the Minnesota Public Utilities Commission or a municipal public utilities commission, an electric cooperative association, or a municipality and charged to a user of the service.

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

Sec. 33. Minnesota Statutes 2022, section 327C.015, is amended by adding a subdivision to read:

Subd. 11a. **Public utility.** "Public utility" has the meaning given in section 216B.02, subdivision 4.

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

Sec. 34. Minnesota Statutes 2022, section 327C.015, subdivision 17, is amended to read:

Subd. 17. **Substantial modification.** "Substantial modification" means any change in a rule which: (a) significantly diminishes or eliminates any material obligation of the park owner; (b) significantly diminishes or eliminates any material right, privilege or freedom of action of a resident; or (c) involves a significant new expense for a resident. The installation of water and sewer meters and the subsequent metering of and billing for water and sewer service is not a substantial modification of the lease, provided the park owner complies with section 327C.04, subdivision 6.

EFFECTIVE DATE. This section is effective for meter installations initiated on or after August 1, 2023.

Sec. 35. Minnesota Statutes 2022, section 327C.015, is amended by adding a subdivision to read:

Subd. 17a. **Utility provider.** "Utility provider" means a public utility, an electric cooperative association, or a municipal utility.

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

Sec. 36. Minnesota Statutes 2022, section 327C.04, subdivision 1, is amended to read:

Subdivision 1. **Billing permitted.** A park owner who either provides utility service directly to residents or who redistributes to residents utility service provided to the park owner by a utility provider may charge the residents for that service, only if the charges comply with this section.

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

Sec. 37. Minnesota Statutes 2022, section 327C.04, subdivision 2, is amended to read:

Subd. 2. **Metering required.** A park owner who charges residents for a utility service must charge each household the same amount, unless the park owner has installed measuring devices which accurately meter each household's use of the utility. Utility measuring devices installed by the park owner must be installed or repaired only by a licensed plumber, licensed electrician, or licensed manufactured home installer.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to meters installed or repaired on or after that date.

Sec. 38. Minnesota Statutes 2022, section 327C.04, is amended by adding a subdivision to read:

Subd. 5. **Utility charge for metered service.** (a) A park owner who redistributes utility service may not charge a resident a commodity rate that exceeds the commodity rate at which the park owner purchases utility service from a utility provider. Before billing residents for redistributed utility service, a park owner must deduct utility service used exclusively or primarily for the park owner's purposes.

(b) If a utility bill that a park owner receives from a utility provider separates from variable consumption charges a fixed service or meter charge or fee, taxes, surcharges, or other miscellaneous charges, the park owner must deduct the park owner's pro rata share of these separately itemized charges and apportion the remaining fixed portion of the bill equally among residents based on the total number of occupied units in the park.

(c) A park owner may not charge to or collect from residents any administrative, capital, or other expenses associated with the distribution of utility services, including but not limited to disconnection, reconnection, and late payment fees.

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

Sec. 39. Minnesota Statutes 2022, section 327C.04, is amended by adding a subdivision to read:

Subd. 6. **Rent increases following the installation of water meters.** A park owner may not increase lot rents for 13 months following the commencement of utility bills for a resident whose lease included water service. In each of the three months prior to commencement of utility billing, a park owner must provide the resident with a sample bill for water service.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to meter installations initiated on or after that date.

Sec. 40. **[332.71] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of sections 332.71 to 332.75, the definitions in this section have the meanings given them.

Subd. 2. **Coerced debt.** (a) "Coerced debt" means all or a portion of debt in a debtor's name that has been incurred as a result of:

(1) the use of the debtor's personal information without the debtor's knowledge, authorization, or consent;

(2) the use or threat of force, intimidation, undue influence, harassment, fraud, deception, coercion, or other similar means against the debtor; or

(3) economic abuse perpetrated against the debtor.

(b) Coerced debt does not include secured debt.

Subd. 3. **Creditor.** "Creditor" means a person, or the person's successor, assignee, or agent, claiming to own or have the right to collect a debt owed by the debtor.

Subd. 4. **Debtor.** "Debtor" means a person who (1) is a victim of domestic abuse, harassment, or sex or labor trafficking, and (2) owes coerced debt.

Subd. 5. **Documentation.** "Documentation" means a writing that identifies a debt or a portion of a debt as coerced debt, describes the circumstances under which the coerced debt was incurred, and takes the form of:

(1) a police report;

(2) a Federal Trade Commission identity theft report;

(3) an order in a dissolution proceeding under chapter 518 that declares that one or more debts are coerced; or

(4) a sworn written certification.

Subd. 6. **Domestic abuse.** "Domestic abuse" has the meaning given in section 518B.01, subdivision 2.

Subd. 7. **Economic abuse.** "Economic abuse" means behavior in the context of a domestic relationship that controls, restrains, restricts, impairs, or interferes with the ability of a victim of domestic abuse, harassment, or sex or labor trafficking to acquire, use, or maintain economic resources, including but not limited to:

(1) withholding or restricting access to, or the acquisition of, money, assets, credit, or financial information;

(2) interfering with the victim's ability to work and earn wages; or

(3) exerting undue influence over a person's financial and economic behavior or decisions.

Subd. 8. **Harassment.** "Harassment" has the meaning given in section 609.748.

Subd. 9. **Labor trafficking.** "Labor trafficking" has the meaning given in section 609.281, subdivision 5.

Subd. 10. **Qualified third-party professional.** "Qualified third-party professional" means:

(1) a domestic abuse advocate, as defined under section 595.02, subdivision 1, paragraph (l);

(2) a sexual assault counselor, as defined under section 595.02, subdivision 1, paragraph (k);

(3) a licensed health care provider, mental health care provider, social worker, or marriage and family therapist; or

(4) a nonprofit organization in Minnesota that provides direct assistance to victims of domestic abuse, sexual assault, or sex or labor trafficking.

Subd. 11. **Sex trafficking.** "Sex trafficking" has the meaning given in section 609.321, subdivision 7a.

Subd. 12. **Sworn written certification.** "Sworn written certification" means a statement by a qualified third-party professional in the following form:

CERTIFICATION OF QUALIFIED THIRD-PARTY PROFESSIONAL

I, (name of qualified third-party professional), do hereby certify under penalty of perjury as follows:

1. I am a licensed health care provider, mental health care provider, social worker, marriage and family therapist, domestic abuse advocate, as that term is defined in Minnesota Statutes, section 595.02, subdivision 1, paragraph (l), or sexual assault counselor, as that term is defined in Minnesota Statutes, section 595.02, subdivision 1, paragraph (k), or a staff member of a nonprofit organization that provides direct assistance to victims of domestic abuse, sexual assault, or sex or labor trafficking, who has had in-person contact or face-to-face contact through an electronic medium with (name of debtor).

2. Based on my professional interactions with the debtor and information presented to me in my professional capacity, I have a reasonable basis to believe (name of debtor) is a victim of domestic abuse, harassment, sex trafficking or labor trafficking and has incurred all or a portion of debt that is coerced debt, as that term is defined in Minnesota Statutes, section 332.71, subdivision 2.

3. Based on my professional interactions with the debtor and on information presented to me, I have reason to believe that the circumstances under which the coerced debt was incurred are as follows:

4. The following debts or portions of the debts have been identified to me as coerced:

I attest that the foregoing is true and correct.

(Printed name of qualified third party)

(Signature of qualified third party)

(Business address and business telephone)

(Date)

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to all debts incurred on or after that date.

Sec. 41. **[332.72] COERCED DEBT PROHIBITED.**

A person is prohibited from causing another person to incur coerced debt.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to all debts incurred on or after that date.

Sec. 42. **[332.73] NOTICE TO CREDITOR OF COERCED DEBT.**

Subdivision 1. **Notification.** (a) Before taking an affirmative action under section 332.74, a debtor must, by certified mail, notify a creditor that the debt or a portion of a debt on which the creditor demands payment is coerced debt and request that the creditor cease all collection activity on the coerced debt. The notification and request must be in writing and include documentation. The creditor, within 30 days of the date the notification and request is received, must notify the debtor in writing of the creditor's decision to either immediately cease all collection activity or continue to pursue collection.

(b) If a creditor ceases collection but subsequently decides to resume collection activity, the creditor must notify the debtor ten days prior to the date the collection activity resumes.

(c) A debtor must not proceed with an action under section 332.74 until the 30-day period provided under paragraph (a) has expired.

Subd. 2. **Sale or assignment of coerced debt.** A creditor may sell or assign a debt for which the creditor has been notified is coerced debt to another party if the creditor selling or assigning the debt includes notification to the buyer or assignee that the debtor has asserted the debt is coerced debt.

Subd. 3. **No inference upon cessation of collection activity.** The fact that a creditor ceases collection activity under this section or section 332.74 does not create an inference or presumption regarding the validity or invalidity of a debt for which a debtor is liable or not liable. The exercise or nonexercise of rights under this section is not a waiver of any other debtor or creditor rights or defenses.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to all debts incurred on or after that date.

Sec. 43. **[332.74] DEBTOR REMEDIES.**

Subdivision 1. **Right to petition for declaration and injunction.** A debtor alleging violation of section 332.72 may petition for equitable relief in the district court in the county where the debtor lives or where the coerced debt was incurred. The petition must include:

(1) the notice to the creditor required under section 332.73, subdivision 1;

(2) consistent with Rule 11 of the Minnesota Rules of General Practice, information identifying (i) the account or accounts associated with the coerced debt, and (ii) the person in whose name the debt was incurred; and

(3) the identity and, if known, contact information of the person who caused the debtor to incur coerced debt, unless the debtor signs a sworn statement that disclosing the information is likely to result in domestic abuse or other harm to the debtor, the debtor's children, parents, other relatives, or a family pet.

Subd. 2. **Procedural safeguards.** The court must take appropriate steps necessary to prevent abuse of the debtor or to the debtor, the debtor's children, parents, other relatives, or a family pet. For purposes of this subdivision, appropriate steps include but are not limited to sealing the file, marking the file as confidential, redacting personally identifiable information about the debtor, and directing that any deposition or evidentiary hearing be conducted remotely.

Subd. 3. **Relief.** (a) If a debtor shows by a preponderance of the evidence that the debtor has been aggrieved by a violation of section 332.72 and the debtor has incurred coerced debt, the debtor is entitled to one or more of the following:

(1) a declaratory judgment that the debt or portion of a debt is coerced debt;

(2) an injunction prohibiting the creditor from (i) holding or attempting to hold the debtor liable for the debt or portion of a debt, or (ii) enforcing a judgment related to the coerced debt; and

(3) an order dismissing any cause of action brought by the creditor to enforce or collect the coerced debt from the debtor or, if only a portion of the debt is established as coerced debt, an order directing that the judgment, if any, in the action be amended to reflect only the portion of the debt that is not coerced debt.

(b) If the court orders relief for the debtor under paragraph (a), the court, after the creditor's motion has been served by United States mail to the last known address of the person who violated section 332.72, shall issue a judgment in favor of the creditor against the person in the amount of the debt or a portion thereof.

(c) This subdivision applies regardless of the judicial district in which the creditor's action or the debtor's petition was filed.

Subd. 4. **Affirmative defense.** In an action against a debtor to satisfy a debt, it is an affirmative defense that the debtor incurred coerced debt.

Subd. 5. **Burden.** In any affirmative action taken under subdivision 1 or any affirmative defense asserted in subdivision 4, the debtor bears the burden to show by a preponderance of the evidence that the debtor incurred coerced debt. There is a presumption that the debtor has incurred coerced

debt if the person alleged to have caused the debtor to incur the coerced debt has been criminally convicted, entered a guilty plea, or entered an Alford plea under section 609.27, 609.282, 609.322, or 609.527.

Subd. 6. **Statute of limitations tolled.** (a) The statute of limitations under section 541.05 is tolled during the pendency of a proceeding instituted under this section.

(b) A creditor is prohibited from filing a collection action regarding a debt that is the subject of a proceeding instituted under this section while the proceeding is pending.

(c) If a debtor commences a proceeding under this section while a collection action is pending against the debtor regarding a debt that is subject to the proceeding, the court must immediately stay the collection action pending the disposition of the proceeding under this section.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to all debts incurred on or after that date.

Sec. 44. **[332.75] CREDITOR REMEDIES.**

Nothing in sections 332.71 to 332.74 diminishes the rights of a creditor to seek payment recovery for a coerced debt from the person who caused the debtor to incur the coerced debt.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to all debts incurred on or after that date.

Sec. 45. **UNAUDITED FINANCIAL STATEMENTS; RULEMAKING.**

The commissioner of commerce shall amend Minnesota Rules, part 2876.3021, subpart 2, to remove the prohibition on use of unaudited financial statements if the aggregate amount of all previous sales of securities by the applicant, exclusive of debt financing with banks and similar commercial lenders, exceeds \$1,000,000. The commissioner of commerce may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to amend the rule under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Sec. 46. **AUTOMOTIVE SELF-INSURANCE; RULES AMENDMENT; EXPEDITED RULEMAKING.**

Subdivision 1. **Self-insurance working capital condition.** The commissioner of commerce must amend Minnesota Rules, part 2770.6500, subpart 2, item B, subitem (5), to require the commissioner's grant of self-insurance authority to an applicant to be based on the applicant's net working capital in lieu of the applicant's net funds flow.

Subd. 2. **Commissioner discretion to grant self-insurance authority.** The commissioner of commerce must amend Minnesota Rules, part 2770.6500, subpart 2, item D, to, notwithstanding any other provision of Minnesota Rules, part 2770.6500, permit the commissioner to grant self-insurance authority to an applicant that is not a political subdivision and that has not had positive net income or positive working capital in at least three years of the last five-year period if the applicant's working capital, debt structure, profitability, and overall financial integrity of the applicant

and its parent company, if one exists, demonstrate a continuing ability of the applicant to satisfy any financial obligations that have been and might be incurred under the no-fault act.

Subd. 3. **Working capital.** The commissioner of commerce must define working capital for the purposes of Minnesota Rules, part 2770.6500.

Subd. 4. **Commissioner discretion to revoke self-insurance authority.** The commissioner of commerce must amend Minnesota Rules, part 2770.7300, to permit, in lieu of require, the commissioner to revoke a self-insurer's authorization to self-insure based on the commissioner's determinations under Minnesota Rules, part 2770.7300, items A and B.

Subd. 5. **Expedited rulemaking authorized.** The commissioner of commerce may use the expedited rulemaking process under Minnesota Statutes, section 14.389, to amend rules under this section.

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

Sec. 47. **REPEALER.**

(a) Minnesota Statutes 2022, sections 48.10; and 325D.71, are repealed.

(b) Minnesota Rules, parts 2675.2610, subparts 1, 3, and 4; 2675.2620, subparts 1, 2, 3, 4, and 5; and 2675.2630, subpart 3, are repealed.

(c) Minnesota Statutes 2022, section 327C.04, subdivision 4, is repealed.

EFFECTIVE DATE. Paragraph (c) is effective July 1, 2023."

Delete the title and insert:

"A bill for an act relating to commerce; authorizing administrative rulemaking; prohibiting price gouging; establishing notice requirements; prescribing penalties; modifying provisions governing emergency closures; eliminating certain examination requirements; modifying and adding provisions governing the sale of certain motor vehicles; regulating nonbank mortgage servicers; requiring a report; modifying provisions governing life insurance; specifying provisions for third-party payers and dental providers; establishing time limitations for civil actions under certain motor vehicle insurance policies; changing investment limit for small corporate offerings; directing rulemaking; amending provisions related to utility billing practices in manufactured home parks; modifying telecommunications pricing plans; modifying the definition of cost; eliminating prohibition on below cost sales of gasoline; increasing the civil penalties for unlawful robocalls; modifying provisions relating to digital fair repair; requiring direct-to-consumer genetic testing companies to provide disclosure notices and obtain consent; modifying limitations on credit card surcharges; providing remedies to debtors with coerced debt; amending Minnesota Statutes 2022, sections 8.31, subdivision 1; 47.0153, subdivision 1; 53C.01, subdivision 12c, by adding a subdivision; 53C.08, subdivision 1a; 61A.031; 61A.60, subdivision 3; 62Q.735, subdivisions 1, 5; 62Q.76, by adding a subdivision; 62Q.78, by adding subdivisions; 65B.49, by adding a subdivision; 80A.50; 103G.291, subdivision 4; 237.066; 325D.01, subdivision 5; 325E.31; 325F.662, subdivisions 2, 3; 325G.051, subdivision 1; 327C.015, subdivision 17, by adding subdivisions; 327C.04, subdivisions 1, 2, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 58; 65A; 325E; 325F;

332; repealing Minnesota Statutes 2022, sections 48.10; 325D.71; 327C.04, subdivision 4; Minnesota Rules, parts 2675.2610, subparts 1, 3, 4; 2675.2620, subparts 1, 2, 3, 4, 5; 2675.2630, subpart 3."

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

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

S.F. No. 1298: A bill for an act relating to housing; providing for a right to counsel in certain public housing eviction actions; prohibiting landlords from imposing certain fees; restricting entry by a landlord; amending the covenants implied in residential lease; providing for tenants remedies against landlords for repairs; allowing a tenant to request emergency repairs from the court; modifying termination of tenancy at will; requiring residential tenant notice of grounds for eviction before action may be brought; prohibiting real property interest discrimination based on participation in a housing assistance program; prohibiting a landlord from taking certain actions that encourage or require a tenant to declaw or devocalize an animal; authorizing civil penalties; expanding eligibility for discretionary and mandatory expungements for eviction case court files; limiting public access to pending eviction case court actions; limiting early renewals on certain rental leases; requiring landlord to provide tenant with a notice of the option to inspect the rental unit at the beginning and end of tenancy; establishing damages; amending provisions relating to residential housing evictions; amending summons and complaint provisions related to residential housing eviction; amending Minnesota Statutes 2022, sections 363A.03, by adding a subdivision; 363A.09, subdivisions 1, 2; 363A.21, subdivision 1; 484.014, subdivisions 2, 3; 504B.135; 504B.161, subdivision 1; 504B.171, subdivision 1, by adding a subdivision; 504B.172; 504B.178, subdivision 4; 504B.211, subdivisions 2, 6; 504B.285, subdivision 5; 504B.291, subdivision 1; 504B.321; 504B.331; 504B.335; 504B.345, subdivision 1, by adding a subdivision; 504B.361, subdivision 1; 504B.371, subdivisions 3, 4, 5, 7; 504B.375, subdivision 1; 504B.381, subdivisions 1, 5, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 504B.

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

Pages 1 to 3, delete sections 1 to 4

Page 4, line 16, delete "makes the following findings:" and insert "finds that"

Page 4, delete lines 17 and 18

Page 4, line 19, delete "(2)" and strike "clearly"

Page 4, line 24, delete "sua sponte" and insert ", without motion by any party,"

Page 5, line 8, delete "of a defendant" and insert "or declaration of compliance by either party"

Page 9, line 7, after "tenant" insert ", the landlord, or the landlord's employees"

Renumber the sections in sequence

Amend the title accordingly

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

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

H.F. No. 366: A bill for an act relating to health care; limiting the release of health records in cases related to reproductive health; prohibiting certain acts by certain health-related licensing boards; prohibiting disqualification on background study for accessing or providing reproductive health care; preventing the enforcement of certain judgments related to reproductive health; restricting the enforcement of subpoenas issued in cases related to reproductive health; creating a cause of action for penalties and court costs for lawsuits related to reproductive health; prohibiting extradition of persons charged in another state for acts committed or services received in Minnesota related to reproductive health; amending Minnesota Statutes 2022, sections 147.091, by adding a subdivision; 147A.13, by adding a subdivision; 148.261, by adding a subdivision; 245C.15, by adding a subdivision; 629.01; 629.02; 629.05; 629.06; 629.13; 629.14; proposing coding for new law in Minnesota Statutes, chapters 144; 548; 604.

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

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

S.F. No. 2400: A bill for an act relating to state government; modifying the children's cabinet; establishing the Department of Children, Youth, and Families; transferring responsibilities from the Department of Education, Department of Human Services, and Department of Public Safety to the Department of Children, Youth, and Families; requiring reports; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2022, sections 4.045; 10.65, subdivision 2; 15.01; 15.06, subdivision 1; 15A.0815, subdivision 2; 43A.08, subdivision 1a; 256.014, subdivisions 1, 2; proposing coding for new law as Minnesota Statutes, chapter 143.

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

Page 7, delete subdivision 3

Page 11, after line 6, insert:

"Sec. 15. DATA PRACTICES.

(a) To the extent not prohibited by state or federal law, and notwithstanding the data's classification under Minnesota Statutes, chapter 13:

(1) the commissioner of children, youth, and families may access data maintained by the commissioners of education, health, human services, and public safety related to the responsibilities transferred under section 16; and

(2) the commissioners of education, health, human services, and public safety may access data maintained by the commissioner of children, youth, and families related to each department's respective responsibilities transferred under section 16.

(b) Data sharing authorized by this section includes only the data necessary to coordinate department activities and services transferred under section 16.

(c) Any data shared under this section retain their classification from the agency holding the data.

(d) Existing limitations and legal requirements under Minnesota Statutes, chapter 13, including but not limited to any applicable data subject to consent requirements, apply to any data accessed, transferred, disseminated, or shared under this section.

(e) This section expires July 1, 2027."

Renumber the sections in sequence

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

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

S.F. No. 1949: A bill for an act relating to gambling; authorizing and providing for sports betting; establishing licenses; prohibiting local restrictions; providing for taxation of sports betting; providing civil and criminal penalties; providing for amateur sports grants; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 245.98, subdivision 2; 260B.007, subdivision 16; 609.75, subdivisions 3, 4, 7, by adding a subdivision; 609.755; 609.76, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 240A; 299L; 609; proposing coding for new law as Minnesota Statutes, chapter 297J.

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

Page 33, line 11, after "events" insert "or to information shared with a sports governing body pursuant to section 299L.53, subdivision 3"

Page 33, line 31, after the first "the" insert "Division of Alcohol and Gambling Enforcement of the"

Page 33, line 32, after "event" insert ", unless the person is a peace officer with the Division of Alcohol and Gambling Enforcement who places a wager as part of a criminal or regulatory investigation"

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

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

S.F. No. 1598: A bill for an act relating to commerce; digital fair repair; requiring penalties; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

SECOND READING OF SENATE BILLS

S.F. Nos. 2542, 2818, 2819, 2212, 1384, 1424, 2904, 803, 1459, 1394, 2171, 2369, 834, 2219, 1298, and 1598 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 366 was read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Putnam and Housley introduced--

S.F. No. 3133: A bill for an act relating to human services; increasing rates to providers of board and lodging with special services; amending Minnesota Statutes 2022, section 256I.05, subdivisions 1c, 1d.

Referred to the Committee on Health and Human Services.

Senators Marty, Kunesh, and Dibble introduced--

S.F. No. 3134: A bill for an act relating to health; permitting the conversion of human remains to basic elements using natural organic reduction; establishing licensure requirements for natural organic reduction facilities; establishing licensure fees; amending Minnesota Statutes 2022, sections 149A.01, subdivision 3; 149A.02, subdivisions 3, 16, 26a, 27, 35, 37c, by adding subdivisions; 149A.03; 149A.65, by adding a subdivision; 149A.70, subdivisions 1, 2, 3, 5; 149A.71, subdivisions 2, 4; 149A.72, subdivisions 3, 9; 149A.73, subdivision 1; 149A.74, subdivision 1; 149A.93, subdivision 3; 149A.94, subdivisions 1, 3, 4; proposing coding for new law in Minnesota Statutes, chapter 149A.

Referred to the Committee on Health and Human Services.

Senators Wesenberg and Utke introduced--

S.F. No. 3135: A bill for an act relating to natural resources; modifying powers and duties of the Board of Water and Soil Resources; amending Minnesota Statutes 2022, section 103B.101, subdivision 9.

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

Senator Rasmusson introduced--

S.F. No. 3136: A bill for an act relating to transportation; repealing requirement to retire type III vehicles after 12 years; repealing Minnesota Statutes 2022, section 169.454, subdivision 2.

Referred to the Committee on Transportation.

Senators Hoffman and Abeler introduced--

S.F. No. 3137: A bill for an act relating to civil actions; expanding types of property that cannot be attached, garnished, or sold in a final judgment; amending Minnesota Statutes 2022, section 550.37, subdivisions 2, 4, 6, 12a, 14, 22, 23, by adding subdivisions.

Referred to the Committee on Judiciary and Public Safety.

Senators Hoffman and Abeler introduced--

S.F. No. 3138: A bill for an act relating to human services; implementing Department of Human Services reporting and licensing changes for a provider licensing and reporting hub; appropriating money; amending Minnesota Statutes 2022, sections 245A.04, subdivisions 1, 7a; 245A.05; 245A.055, subdivision 2; 245A.06, subdivisions 1, 2, 4; 245A.07, subdivision 3; 245A.16, by adding a subdivision; 245H.01, by adding a subdivision; 245H.03, subdivisions 2, 3, 4; 245H.06, subdivisions 1, 2; 245H.07, subdivisions 1, 2; 245I.20, subdivisions 10, 13, 14, 16; 260E.09; 270B.14, subdivision 1.

Referred to the Committee on Health and Human Services.

Senators Mitchell, Seeberger, and Housley introduced--

S.F. No. 3139: A bill for an act relating to capital investment; appropriating money for an anaerobic digester facility in Washington County.

Referred to the Committee on Capital Investment.

Senator Boldon introduced--

S.F. No. 3140: A bill for an act relating to human services; appropriating money for a Somali mental health pilot project.

Referred to the Committee on Health and Human Services.

Senator Frentz introduced--

S.F. No. 3141: A bill for an act relating to energy; appropriating money for a third-party feasibility study on using Minnesota taconite in long-term battery storage systems.

Referred to the Committee on Energy, Utilities, Environment, and Climate.

Senators Pha and Hawj introduced--

S.F. No. 3142: A bill for an act relating to civil marriage; allowing legislators to solemnize civil marriage; amending Minnesota Statutes 2022, section 517.04.

Referred to the Committee on Judiciary and Public Safety.

Senator Xiong introduced--

S.F. No. 3143: A bill for an act relating to local taxes; authorizing the city of Mounds View to impose a local sales and use tax.

Referred to the Committee on Taxes.

Senator Farnsworth introduced--

S.F. No. 3144: A bill for an act relating to capital investment; appropriating money for a filmmaking and film education facility.

Referred to the Committee on Capital Investment.

Senator Farnsworth introduced--

S.F. No. 3145: A bill for an act relating to capital investment; appropriating money for a new water treatment plant in the city of Hibbing; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Wiklund introduced--

S.F. No. 3146: A bill for an act relating to capital investment; appropriating money for the development and construction of veterans affordable housing in the city of Richfield.

Referred to the Committee on Capital Investment.

Senator Draheim introduced--

S.F. No. 3147: A bill for an act relating to housing; establishing task force on student housing; requiring reports.

Referred to the Committee on Housing and Homelessness Prevention.

Senator Pappas introduced--

S.F. No. 3148: A bill for an act relating to capital investment; appropriating money for redevelopment of blighted property in St. Paul; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Howe introduced--

S.F. No. 3149: A bill for an act relating to capital investment; appropriating money for Phase 1 of capital improvements along a section of County State-Aid Highway 1 in Benton County; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Howe introduced--

S.F. No. 3150: A bill for an act relating to capital investment; appropriating money for capital improvements along a section of County State-Aid Highway 1 in Benton County; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Draheim introduced--

S.F. No. 3151: A bill for an act relating to state lands; amending a conveyance of certain state land in Le Sueur County; amending Laws 2013, chapter 127, section 63.

Referred to the Committee on State and Local Government and Veterans.

Senator Utke introduced--

S.F. No. 3152: A bill for an act relating to economic development; requiring a report; appropriating money for the unrealized business grant program.

Referred to the Committee on Jobs and Economic Development.

Senators Klein, Kupec, and Putnam introduced--

S.F. No. 3153: A bill for an act relating to human services; establishing transitional cost-sharing reduction, premium subsidy, small employer public option, and transitional health care credit; expanding eligibility for MinnesotaCare; modifying premium scale; requiring recommendations for alternative delivery and payment system; amending Minnesota Statutes 2022, sections 62V.05, by adding a subdivision; 256L.04, subdivisions 1c, 7a, 10, by adding a subdivision; 256L.07, subdivision 1; 256L.15, subdivision 2; 290.06, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Senator Seeberger introduced--

S.F. No. 3154: A bill for an act relating to capital investment; appropriating money for capital improvements to County Road 54 in Dakota County; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Seeberger introduced--

S.F. No. 3155: A bill for an act relating to capital investment; appropriating money for the Mississippi River Greenway corridor in Dakota County; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Hoffman and Abeler introduced--

S.F. No. 3156: A bill for an act relating to economic development; appropriating money for costs related to the Taste of Minnesota event.

Referred to the Committee on Jobs and Economic Development.

Senator Dibble introduced--

S.F. No. 3157: A bill for an act relating to transportation; appropriating money for the active transportation program.

Referred to the Committee on Transportation.

Senator Nelson introduced--

S.F. No. 3158: A bill for an act relating to state government; increasing fiscal safeguards for state grants to nonprofit organizations; amending Minnesota Statutes 2022, section 16B.98, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 16B.

Referred to the Committee on State and Local Government and Veterans.

Senator Pappas introduced--

S.F. No. 3159: A bill for an act relating to housing; appropriating money for a grant to Rondo Community Land Trust.

Referred to the Committee on Housing and Homelessness Prevention.

Senators Seeberger and Lang introduced--

S.F. No. 3160: A bill for an act relating to health; amending membership of the Emergency Medical Services Regulatory Board; amending Minnesota Statutes 2022, section 144E.01, subdivisions 1, 2.

Referred to the Committee on Health and Human Services.

Senator Seeberger introduced--

S.F. No. 3161: A bill for an act relating to capital investment; appropriating money for water treatment plants in the city of Hastings; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Frentz, Pappas, Seeberger, Murphy, and Rasmuson introduced--

S.F. No. 3162: A bill for an act relating to retirement; Teachers Retirement Association; providing for unreduced retirement at age 60 or older with at least 30 years of service; providing for a onetime 2.5 percent post-retirement adjustment; increasing employee and employer contributions; extending

the amortization date; reducing the assumption for investment rate of return; increasing the pension adjustment revenue for school districts; appropriating money; amending Minnesota Statutes 2022, sections 126C.10, subdivision 37; 354.42, subdivisions 2, 3; 354.435, subdivision 4; 354.436, subdivision 3; 354.44, subdivision 6; 356.215, subdivisions 8, 11; 356.415, subdivision 1d; 356.59, subdivision 4.

Referred to the Committee on State and Local Government and Veterans.

Senator Rasmusson introduced--

S.F. No. 3163: A bill for an act relating to taxation; insurance; modifying the definition of gross premiums; amending Minnesota Statutes 2022, section 297I.01, subdivision 9.

Referred to the Committee on Taxes.

MOTIONS AND RESOLUTIONS

Senator Rarick moved that the name of Senator Duckworth be added as a co-author to S.F. No. 116. The motion prevailed.

Senator Champion moved that the name of Senator Hoffman be added as a co-author to S.F. No. 466. The motion prevailed.

Senator Kunesh moved that her name be stricken as a co-author to S.F. No. 834. The motion prevailed.

Senator Morrison moved that her name be stricken as chief author, shown as a co-author, and the name of Senator Seeberger be added as chief author to S.F. No. 834. The motion prevailed.

Senator Rarick moved that the names of Senators Eichorn and Farnsworth be added as co-authors to S.F. No. 861. The motion prevailed.

Senator Kunesh moved that the name of Senator Mann be added as a co-author to S.F. No. 887. The motion prevailed.

Senator Dibble moved that the name of Senator Gustafson be added as a co-author to S.F. No. 1136. The motion prevailed.

Senator Rarick moved that the name of Senator Abeler be added as a co-author to S.F. No. 1295. The motion prevailed.

Senator Westlin moved that the name of Senator Kreun be added as a co-author to S.F. No. 1300. The motion prevailed.

Senator Nelson moved that the names of Senators Weber, Dziedzic, and Putnam be added as co-authors to S.F. No. 1436. The motion prevailed.

Senator Morrison moved that the name of Senator Mann be added as a co-author to S.F. No. 1465. The motion prevailed.

Senator Gustafson moved that the name of Senator Draheim be added as a co-author to S.F. No. 1475. The motion prevailed.

Senator Xiong moved that the name of Senator Abeler be added as a co-author to S.F. No. 1490. The motion prevailed.

Senator Rest moved that the name of Senator Nelson be added as a co-author to S.F. No. 1548. The motion prevailed.

Senator Rarick moved that the names of Senators Duckworth and Abeler be added as co-authors to S.F. No. 1655. The motion prevailed.

Senator Nelson moved that the name of Senator Jasinski be added as a co-author to S.F. No. 1902. The motion prevailed.

Senator Hoffman moved that the name of Senator Nelson be added as a co-author to S.F. No. 2045. The motion prevailed.

Senator Murphy moved that the name of Senator Nelson be added as a co-author to S.F. No. 2086. The motion prevailed.

Senator Rarick moved that the name of Senator Farnsworth be added as a co-author to S.F. No. 2390. The motion prevailed.

Senator Westrom moved that the name of Senator Nelson be added as a co-author to S.F. No. 2507. The motion prevailed.

Senator Seeberger moved that the names of Senators Gustafson and Limmer be added as co-authors to S.F. No. 2659. The motion prevailed.

Senator Hoffman moved that the name of Senator Pha be added as a co-author to S.F. No. 2662. The motion prevailed.

Senator Rarick moved that the names of Senators Utke and McEwen be added as co-authors to S.F. No. 2674. The motion prevailed.

Senator Gustafson moved that the name of Senator Westlin be added as a co-author to S.F. No. 2712. The motion prevailed.

Senator Hoffman moved that the name of Senator Pratt be added as a co-author to S.F. No. 2887. The motion prevailed.

Senator Mitchell moved that the name of Senator Hoffman be added as a co-author to S.F. No. 2938. The motion prevailed.

Senator Rarick moved that the names of Senators Dibble and Rasmusson be added as co-authors to S.F. No. 2987. The motion prevailed.

Senator Morrison moved that S.F. No. 1029 be withdrawn from the Committee on Commerce and Consumer Protection and re-referred to the Committee on Health and Human Services. The motion prevailed.

Senator Morrison moved that S.F. No. 1132, No. 139 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Senator Putnam introduced --

Senate Resolution No. 29: A Senate resolution celebrating the 60th anniversary of WACOSA.

Referred to the Committee on Rules and Administration.

SPECIAL ORDERS

Pursuant to Rule 26, Senator Morrison, designee of the Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. No. 1440 and S.F. No. 2265.

SPECIAL ORDER

H.F. No. 1440: A bill for an act relating to housing; appropriating money for the family homeless prevention and assistance program; requiring a report.

Senator Draheim moved to amend H.F. No. 1440 as follows:

Page 1, delete lines 13 and 14

Page 1, line 15, delete "(c)" and insert "(b)"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 33, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Westrom.

Those who voted in the negative were:

Boldon	Dibble	Gustafson	Klein	Mann
Carlson	Dziedzic	Hauschild	Kunesh	Marty
Champion	Fatch	Hawj	Kupec	Maye Quade
Cwodzinski	Frentz	Hoffman	Latz	Mitchell

Mohamed	Oumou Verbeten	Port	Seeberger	Xiong
Morrison	Pappas	Putnam	Westlin	
Murphy	Pha	Rest	Wiklund	

Pursuant to Rule 40, Senator Murphy cast the negative vote on behalf of the following Senators: Dziedzic and Pha.

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

Senator Draheim moved to amend H.F. No. 1440 as follows:

Page 1, line 14, delete "more than 24" and insert "up to 36"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 34, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Westrom.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Murphy cast the negative vote on behalf of the following Senators: Dziedzic, McEwen, and Pha.

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

H.F. No. 1440 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 42 and nays 21, as follows:

Those who voted in the affirmative were:

Abeler	Dibble	Frentz	Klein	Maye Quade
Boldon	Duckworth	Gustafson	Kunesh	McEwen
Carlson	Dziedzic	Hauschild	Kupec	Mitchell
Champion	Eichorn	Hawj	Latz	Mohamed
Coleman	Farnsworth	Hoffman	Mann	Morrison
Cwodzinski	Fateh	Housley	Marty	Murphy

Nelson	Pha	Putnam	Westlin
Oumou Verbeten	Port	Rest	Wiklund
Pappas	Pratt	Seeberger	Xiong

Pursuant to Rule 40, Senator Murphy cast the affirmative vote on behalf of the following Senators: Dziedzic, McEwen, and Pha.

Those who voted in the negative were:

Anderson	Drazkowski	Johnson	Mathews	Westrom
Bahr	Green	Koran	Rarick	
Dahms	Gruenhagen	Kreun	Rasmusson	
Dornink	Howe	Limmer	Utke	
Draheim	Jasinski	Lucero	Weber	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Westrom.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2265: A bill for an act relating to human services; establishing procedures for the commissioner of human services related to the transition from the public health emergency; appropriating money; amending Laws 2020, First Special Session chapter 7, section 1, subdivision 1, as amended; Laws 2021, First Special Session chapter 7, article 1, section 36; article 16, section 2, subdivision 25.

Senator Utke moved to amend S.F. No. 2265, the second engrossment, as follows:

Page 4, delete section 3 and insert:

"Sec. 3. Laws 2022, chapter 50, article 3, section 1, is amended to read:

Section 1. **APPROPRIATION; COVID-19 MANAGEMENT.**

(a) ~~\$190,000,000~~ \$179,735,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of management and budget to pay for COVID-19 management costs incurred between May 23, 2022, and February 15, 2023, for testing, vaccinations, COVID-19 outbreak management, local and Tribal health, public education, and health system supports. The commissioner may transfer funds appropriated in this section to state agencies as necessary. This is a onetime appropriation and is available until March 31, 2023.

(b) The Legislative COVID-19 Response Commission, established under Laws 2020, chapter 71, article 1, section 7, must review a proposed allocation of the appropriation in this section as provided in paragraphs (c), (d), and (e), before the commissioner may expend the appropriation.

(c) The commissioner of management and budget must submit proposed single expenditures of the appropriation in this section that exceed \$2,500,000 to the Legislative COVID-19 Response Commission for its review and recommendations. The submission must include the total amount of the proposed expenditure, the purpose of the proposed expenditure, the time period of the proposed expenditure, and any additional information the commissioner of management and budget determines

necessary to properly document the proposed expenditure. Upon receiving a submission, the commission has three days after the request is submitted to review the proposed expenditures.

(d) Commission members may make a positive recommendation, a negative recommendation, or no recommendation on a proposed expenditure. If a majority of the commission members from the senate or a majority of the commission members from the house of representatives make a negative recommendation on a proposed expenditure, the commissioner is prohibited from expending the money. If a majority of the commission members from the senate or a majority of the commission members from the house of representatives do not make a negative recommendation, or if the commission makes no recommendation, the commissioner may expend the money.

(e) The commission may hold a public meeting to approve or disapprove a proposed expenditure from the appropriation in this section. Notwithstanding Minnesota Statutes, section 3.055, the commission may conduct a public meeting remotely. The commission may approve or disapprove proposed expenditures without a public meeting. The commission members may approve or disapprove proposed expenditures via written communication sent to the commissioner of management and budget. Notwithstanding Laws 2020, chapter 71, article 1, section 7, if a commission member is unable to review a particular expenditure, a designee from the commission member's legislative body may serve as a designee on behalf of the absent member.

EFFECTIVE DATE. This section is effective retroactively from March 27, 2023."

Page 5, line 31, delete "health care access" and insert "general"

Page 6, lines 9 and 16, delete "health care access" and insert "general"

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 32, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Westrom.

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Murphy cast the negative vote on behalf of the following Senators: Dziezic and McEwen.

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

S.F. No. 2265 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 46 and nays 18, as follows:

Those who voted in the affirmative were:

Abeler	Dziezic	Kunesh	Mohamed	Seeberger
Boldon	Farnsworth	Kupec	Morrison	Utke
Carlson	Fateh	Latz	Murphy	Weber
Champion	Frentz	Limmer	Nelson	Westlin
Coleman	Gustafson	Mann	Oumou Verbeten	Wiklund
Cwodzinski	Hauschild	Marty	Pappas	Xiong
Dahms	Hawj	Mathews	Pha	
Dibble	Hoffman	Maye Quade	Port	
Dornink	Housley	McEwen	Putnam	
Draheim	Klein	Mitchell	Rest	

Pursuant to Rule 40, Senator Murphy cast the affirmative vote on behalf of the following Senators: Dziezic, McEwen, and Pha.

Those who voted in the negative were:

Anderson	Eichorn	Jasinski	Lieske	Rasmusson
Bahr	Green	Johnson	Lucero	Westrom
Drazkowski	Gruenhagen	Koran	Pratt	
Duckworth	Howe	Kreun	Rarick	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Westrom.

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Mitchell moved that the name of Senator Klein be added as a co-author to S.F. No. 474. The motion prevailed.

MEMBERS EXCUSED

Senators Lang, Miller, and Wesenberg were excused from the Session of today. Senator McEwen was excused from the Session of today from 10:00 to 10:35 a.m. Senator Lieske was excused from the Session of today from 10:00 to 10:45 a.m. Senator Latz was excused from the Session of today from 10:50 to 11:05 a.m.

ADJOURNMENT

Senator Morrison moved that the Senate do now adjourn until 11:00 a.m., Thursday, March 30, 2023. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate