

FIFTY-SEVENTH DAY

St. Paul, Minnesota, Wednesday, April 26, 2023

The Senate met at 12:00 noon and was called to order by the presider, Senator Klein.

CALL OF THE SENATE

Senator Mitchell 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. Richard Buller.

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

March 10, 2023

The Honorable Bobby Joe Champion
President of the Senate

Dear Senator Champion:

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

PROFESSIONAL EDUCATOR LICENSING AND STANDARDS BOARD

Amy Aho, 13275 Knollwood Dr., Baxter, in the county of Crow Wing, effective March 14, 2023, for a term expiring on January 1, 2024.

Angela Osuji, 10362 Major Dr. N., Brooklyn Park, in the county of Hennepin, effective March 14, 2023, for a term expiring on January 4, 2027.

Paul Peltier, 224 North Foss Ave., Fosston, in the county of Polk, effective March 14, 2023, for a term expiring on January 4, 2027.

Gift Saloka, 815 Golf View Ln., Saint Cloud, in the county of Stearns, effective March 14, 2023, for a term expiring on January 6, 2025.

(Referred to the Committee on Education Policy.)

Sincerely,
Tim Walz, Governor

April 17, 2023

The Honorable Melissa Hortman
Speaker of the House of Representatives

The Honorable Bobby Joe Champion
President of the Senate

I have the honor to inform you that the following enrolled Act of the 2023 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 2023	Date Filed 2023
	1278	26	11:41 a.m. April 17	April 17

Sincerely,
Steve Simon
Secretary of State

April 18, 2023

The Honorable Melissa Hortman
Speaker of the House of Representatives

The Honorable Bobby Joe Champion
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2023 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 2023	Date Filed 2023
	1656	24	10:52 a.m. April 18	April 18
	1581	25	10:52 a.m. April 18	April 18

Sincerely,
Steve Simon
Secretary of State

April 25, 2023

The Honorable Melissa Hortman
Speaker of the House of Representatives

The Honorable Bobby Joe Champion
President of the Senate

I have the honor to inform you that the following enrolled Act of the 2023 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 2023	Date Filed 2023
	42	27	3:36 p.m. April 25	April 25

Sincerely,
Steve Simon
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2934: A bill for an act relating to human services; establishing an office of addiction and recovery; establishing the Minnesota board of recovery services; establishing title protection

for sober homes; modifying provisions governing disability services, aging services, and behavioral health; modifying medical assistance eligibility requirements for certain populations; making technical and conforming changes; establishing certain grants; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 4.046, subdivisions 6, 7, by adding a subdivision; 179A.54, by adding a subdivision; 241.021, subdivision 1; 241.31, subdivision 5; 241.415; 245A.03, subdivision 7; 245A.11, subdivisions 7, 7a; 245D.04, subdivision 3; 245G.01, by adding subdivisions; 245G.02, subdivision 2; 245G.05, subdivision 1, by adding a subdivision; 245G.06, subdivisions 1, 3, 4, by adding subdivisions; 245G.08, subdivision 3; 245G.09, subdivision 3; 245G.22, subdivision 15; 245I.10, subdivision 6; 246.54, subdivisions 1a, 1b; 252.27, subdivision 2a; 254B.01, subdivision 8, by adding subdivisions; 254B.04, by adding a subdivision; 254B.05, subdivisions 1, 5; 256.043, subdivisions 3, 3a; 256.9754; 256B.04, by adding a subdivision; 256B.056, subdivision 3; 256B.057, subdivision 9; 256B.0625, subdivisions 17, 17a, 18h, 22, by adding a subdivision; 256B.0638, subdivisions 2, 4, 5; 256B.0659, subdivisions 1, 12, 19, 24; 256B.073, subdivision 3, by adding a subdivision; 256B.0759, subdivision 2; 256B.0911, subdivision 13; 256B.0913, subdivisions 4, 5; 256B.0917, subdivision 1b; 256B.0922, subdivision 1; 256B.0949, subdivision 15; 256B.14, subdivision 2; 256B.434, by adding a subdivision; 256B.49, subdivisions 11, 28; 256B.4905, subdivision 5a; 256B.4911, by adding a subdivision; 256B.4912, by adding subdivisions; 256B.4914, subdivisions 3, as amended, 4, 5, 5a, 5b, 5c, 5d, 5e, 8, 9, 10, 10a, 10c, 12, 14, by adding a subdivision; 256B.492; 256B.5012, by adding subdivisions; 256B.766; 256B.85, subdivision 7, by adding a subdivision; 256B.851, subdivisions 5, 6; 256I.05, by adding subdivisions; 256M.42; 256R.02, subdivision 19; 256R.17, subdivision 2; 256R.25; 256R.47; 256R.481; 256R.53, by adding subdivisions; 256S.15, subdivision 2; 256S.18, by adding a subdivision; 256S.19, subdivision 3; 256S.203, subdivisions 1, 2; 256S.205, subdivisions 3, 5; 256S.21; 256S.2101, subdivisions 1, 2, by adding subdivisions; 256S.211, by adding subdivisions; 256S.212; 256S.213; 256S.214; 256S.215, subdivisions 2, 3, 4, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17; Laws 2019, chapter 63, article 3, section 1, as amended; Laws 2021, First Special Session chapter 7, article 16, section 28, as amended; article 17, sections 16; 20; proposing coding for new law in Minnesota Statutes, chapters 121A; 144A; 245; 245D; 254B; 256; 256I; 256S; 325F; repealing Minnesota Statutes 2022, sections 245G.05, subdivision 2; 246.18, subdivisions 2, 2a; 256B.0638, subdivisions 1, 2, 3, 4, 5, 6; 256B.0759, subdivision 6; 256B.0917, subdivisions 1a, 6, 7a, 13; 256B.4914, subdivision 9a; 256S.19, subdivision 4.

Senate File No. 2934 is herewith returned to the Senate.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned April 25, 2023

Senator Hoffman moved that the Senate do not concur in the amendments by the House to S.F. No. 2934, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2335:

H.F. No. 2335: A bill for an act relating to housing; establishing budget for Minnesota Housing Finance Agency; modifying various housing policy and finance provisions; expanding and establishing certain homeownership, manufactured home, and rent assistance programs; expanding requirements, uses, and amount of housing infrastructure bonds; establishing metropolitan region sales tax; establishing local affordable housing aid; establishing requirements for nonprofit grantees; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 82.75, subdivision 8; 297A.99, subdivision 1; 327C.095, subdivisions 12, 13, 16; 462.357, subdivision 1; 462A.05, subdivision 14, by adding subdivisions; 462A.201, subdivision 2; 462A.2035, subdivision 1b; 462A.204, subdivisions 3, 8; 462A.21, subdivision 3b; 462A.22, subdivision 1; 462A.33, subdivision 2, by adding a subdivision; 462A.36, subdivision 4, by adding a subdivision; 462A.37, subdivisions 1, 2, 4, 5, by adding subdivisions; 462A.38, subdivision 1; 462A.39, subdivisions 2, 5; 469.002, subdivision 12, by adding a subdivision; 473.145; 500.20, subdivision 2a; Laws 2021, First Special Session chapter 8, article 1, section 3, subdivision 11; Laws 2023, chapter 20, section 1; proposing coding for new law in Minnesota Statutes, chapters 297A; 462A; 477A.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Howard, Agbaje and Johnson have been appointed as such committee on the part of the House.

House File No. 2335 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted April 25, 2023

Senator Port moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2335, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2497:

H.F. No. 2497: A bill for an act relating to education finance; providing funding for prekindergarten through grade 12 education; modifying provisions for general education, education excellence, literacy, American Indian education, teachers, charter schools, special education, facilities, nutrition, libraries, early childhood, community education, grants management, and state agencies; making forecast adjustments; providing for rulemaking; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 13.32, subdivision 3; 120A.20, subdivision 1; 120A.22, subdivision 10; 120A.414, subdivision 2, by adding a subdivision; 120A.42; 120B.018, subdivision 6; 120B.021, subdivisions 1, 2, 3, 4, as amended, by adding a subdivision; 120B.022, subdivision 1; 120B.024, subdivisions 1, 2; 120B.11, subdivisions 1, 2, 3; 120B.12; 120B.122, subdivision 1; 120B.15; 120B.30, subdivisions 1, 1a; 120B.301; 120B.35, subdivision 3; 120B.36, subdivision 2; 121A.031, subdivision 6; 121A.04, subdivisions 1, 2; 121A.41, subdivision 7, by adding subdivisions;

121A.425; 121A.45, subdivision 1; 121A.46, subdivision 4, by adding a subdivision; 121A.47, subdivisions 2, 14; 121A.53, subdivision 1; 121A.55; 121A.58; 121A.582, subdivision 1; 121A.61, subdivisions 1, 3, by adding subdivisions; 122A.06, subdivisions 1, 2, 5, 6, 7, 8, by adding subdivisions; 122A.07, subdivisions 1, 2, 4, 4a, 5, 6; 122A.09, subdivisions 4, 6, 9, 10; 122A.091, subdivisions 1, 2; 122A.092, subdivision 5; 122A.15, subdivision 1; 122A.18, subdivisions 1, 2, 10, by adding a subdivision; 122A.181, subdivisions 1, 2, 3, 4, 5, by adding a subdivision; 122A.182, subdivisions 1, 4, by adding subdivisions; 122A.183, subdivisions 1, 2, by adding subdivisions; 122A.184, subdivision 1; 122A.185, subdivisions 1, 4; 122A.187, subdivisions 1, 5, by adding a subdivision; 122A.19, subdivision 4; 122A.26, subdivision 2; 122A.31, subdivision 1; 122A.40, subdivisions 3, 5, 8; 122A.41, subdivisions 2, 5, by adding a subdivision; 122A.415, subdivision 4; 122A.42; 122A.50; 122A.59; 122A.63, by adding a subdivision; 122A.635; 122A.69; 122A.70; 122A.73, subdivisions 2, 3, 5; 123B.147, subdivision 3; 123B.595, subdivisions 1, 2, 3, 4, 7, 8, 8a, 9, 10, 11; 123B.71, subdivisions 9, 12; 123B.86, subdivision 3; 123B.92, subdivision 1, by adding a subdivision; 124D.03, subdivisions 3, 5; 124D.09, subdivisions 3, 5, 12, 13; 124D.111, subdivisions 2a, 5; 124D.1158, as amended; 124D.119; 124D.128, subdivisions 1, 2; 124D.151, subdivision 6; 124D.20, subdivisions 3, 5; 124D.2211; 124D.231; 124D.42, subdivision 8; 124D.531, subdivisions 1, 4; 124D.55; 124D.56; 124D.59, subdivisions 2, 2a; 124D.65, subdivision 5; 124D.68, subdivisions 2, 3; 124D.73, by adding a subdivision; 124D.74, subdivisions 1, 3, 4, by adding a subdivision; 124D.76; 124D.78; 124D.79, subdivision 2; 124D.791, subdivision 4; 124D.81; 124D.861, subdivision 2; 124D.862, subdivision 8; 124D.98, by adding a subdivision; 124D.99, subdivision 2; 124E.02; 124E.03, subdivision 2, by adding a subdivision; 124E.05, subdivisions 4, 7; 124E.06, subdivisions 1, 4, 5; 124E.10, subdivision 1; 124E.11; 124E.12, subdivision 1; 124E.13, subdivisions 1, 3; 124E.25, subdivision 1a; 125A.03; 125A.08; 125A.0942; 125A.13; 125A.15; 125A.51; 125A.515, subdivision 3; 125A.71, subdivision 1; 125A.76, subdivisions 2c, 2e, by adding a subdivision; 126C.05, subdivisions 1, 3, as amended, 19; 126C.10, subdivisions 2, 2a, 2d, 2e, 3, 4, 13, 13a, 14, 18a, by adding subdivisions; 126C.15, subdivisions 1, 2, 5; 126C.17, by adding a subdivision; 126C.40, subdivisions 1, 6; 126C.43, subdivision 2; 126C.44; 127A.353, subdivisions 2, 4; 134.31, subdivisions 1, 4a; 134.32, subdivision 4; 134.34, subdivision 1; 134.355, subdivisions 5, 6, 7; 144.4165; 179A.03, subdivisions 14, 18, 19; 256B.0625, subdivision 26; 268.085, subdivision 7; 290.0679, subdivision 2; Laws 2021, First Special Session chapter 13, article 1, section 10, subdivisions 2, 3, 4, 5, 6, 7, 9; article 2, section 4, subdivisions 2, 3, 4, 12, 27; article 3, section 7, subdivision 7; article 5, section 3, subdivisions 2, 3, 4; article 7, section 2, subdivisions 2, 3; article 8, section 3, subdivisions 2, 3, 4; article 9, section 4, subdivisions 5, 6, 12; article 10, section 1, subdivisions 2, 8; article 11, section 4, subdivision 2; Laws 2023, chapter 18, section 4, subdivisions 2, 3; proposing coding for new law in Minnesota Statutes, chapters 120B; 121A; 122A; 124D; 125A; 126C; 127A; repealing Minnesota Statutes 2022, sections 120B.35, subdivision 5; 122A.06, subdivision 4; 122A.07, subdivision 2a; 122A.091, subdivisions 3, 6; 122A.18, subdivision 7c; 122A.182, subdivision 2; 124D.095, subdivisions 1, 2, 3, 4, 5, 6, 7, 8; 126C.05, subdivisions 3, 16; 268.085, subdivision 8; Minnesota Rules, part 8710.0500, subparts 8, 11.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Youakim, Hill, Pryor, Clardy and Kresha have been appointed as such committee on the part of the House.

House File No. 2497 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted April 25, 2023

Senator Kunesh moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2497, and that a Conference Committee of 5 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 1403.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted April 25, 2023

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 1403: A bill for an act relating to human services; modifying and establishing laws regarding aging, disability, behavioral health, substance use disorder, and statewide opioid litigation; amending Minnesota Statutes 2022, sections 3.757, subdivision 1; 62N.25, subdivision 5; 62Q.1055; 62Q.47; 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.16, subdivision 1; 245D.03, subdivision 1; 245F.06, subdivision 2; 245G.01, by adding subdivisions; 245G.02, subdivision 2; 245G.05, subdivision 1, by adding a subdivision; 245G.06, subdivisions 1, 3, 4, by adding subdivisions; 245G.07, subdivision 2; 245G.09, subdivision 3; 245G.11, subdivision 8; 245G.22, subdivisions 2, 15, 17; 245I.04, by adding subdivisions; 245I.10, subdivision 6; 246.0135; 254A.03, subdivision 3; 254A.035, subdivision 2; 254A.19, subdivisions 1, 3, 4, by adding subdivisions; 254B.01, subdivisions 5, 8, by adding subdivisions; 254B.03, subdivisions 1, 2, 5; 254B.04, subdivisions 1, 2a, by adding subdivisions; 254B.05, subdivisions 1, 1a, 5; 256.01, by adding a subdivision; 256.045, subdivision 3; 256B.0615, subdivisions 1, 5; 256B.0911, subdivision 23; 256B.092, subdivision 10; 256B.093, subdivision 1; 256B.439, subdivisions 3c, 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 254B; repealing Minnesota Statutes 2022, sections 169A.70, subdivision 6; 245G.05, subdivision 2; 245G.06, subdivision 2; 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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2818, now on General Orders.

REPORTS OF COMMITTEES

Senator Klein from the Committee on Commerce and Consumer Protection, to which was referred

S.F. No. 3193: A bill for an act relating to commerce; modifying workers' compensation self-insurance provisions; amending Minnesota Statutes 2022, sections 79A.01, subdivision 4; 79A.04, subdivisions 7, 9, 10, 16, by adding a subdivision; 79A.08; 79A.13; 79A.24, subdivision 4; 79A.25, subdivisions 1, 2, 3, by adding a subdivision.

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

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

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Housley introduced--

S.F. No. 3301: A bill for an act relating to local government; modifying use of land in Washington County; amending Laws 1973, chapter 424, section 1, subdivision 2.

Referred to the Committee on State and Local Government and Veterans.

Senators Housley, Dornink, Jasinski, Rasmusson, and Farnsworth introduced--

S.F. No. 3302: A bill for an act relating to capital investment; appropriating money for school facility renovation projects; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Lucero and Draheim introduced--

S.F. No. 3303: A bill for an act relating to housing; limiting regulations on certain residential development; proposing coding for new law in Minnesota Statutes, chapter 462.

Referred to the Committee on Housing and Homelessness Prevention.

Senator Port introduced--

S.F. No. 3304: A bill for an act relating to homelessness; appropriating money for temporary housing, shelters, and support housing services.

Referred to the Committee on Housing and Homelessness Prevention.

Senator Seeberger introduced--

S.F. No. 3305: A bill for an act relating to judiciary; expanding treatment courts throughout the state to ensure statewide access; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 484.

Referred to the Committee on Judiciary and Public Safety.

MOTIONS AND RESOLUTIONS

Senator Kunesh moved that the name of Senator Oumou Verbeten be added as a co-author to S.F. No. 1661. The motion prevailed.

Senator Utke moved that the name of Senator Morrison be added as a co-author to S.F. No. 2789. The motion prevailed.

Senator Dibble moved that the name of Senator Fateh be added as a co-author to S.F. No. 3014. The motion prevailed.

Senator Dibble moved that the name of Senator Fateh be added as a co-author to S.F. No. 3082. The motion prevailed.

Senator McEwen moved that the name of Senator Utke be added as a co-author to S.F. No. 3193. The motion prevailed.

RECESS

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

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

President Champion assumed the Chair.

CALL OF THE SENATE

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

APPOINTMENTS

Senator Dziedzic from the Subcommittee on Conference Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 3035: Senators Champion, McEwen, Mohamed, Hauschild, and Gustafson.

S.F. No. 2934: Senators Hoffman, Abeler, and Fateh.

Senator Dziedzic moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Reports of Committees and Second Reading of House Bills.

REPORTS OF COMMITTEES

Senator Boldon moved that the Committee Report at the Desk be now adopted. The motion prevailed.

Senator Marty from the Committee on Finance, to which was referred

H.F. No. 2887: A bill for an act relating to transportation; establishing a budget for transportation; appropriating money for transportation purposes, including Department of Transportation, Department of Public Safety, and Metropolitan Council activities; modifying prior appropriations; authorizing the sale and issuance of state bonds; modifying various policy and finance provisions; establishing metropolitan region sales and use tax; requiring Metropolitan Council to implement and enforce transit safety measures; authorizing administrative citations; establishing criminal penalties; establishing an advisory committee, a task force, and a working group; establishing pilot programs; requiring a study; requiring reports; transferring money; amending Minnesota Statutes 2022, sections 13.69, subdivision 1; 43A.17, by adding a subdivision; 151.37, subdivision 12; 161.088, subdivisions 1, 2, 4, 5, as amended, by adding subdivisions; 161.45, subdivisions 1, 2; 161.46, subdivision 2; 163.051, subdivision 1; 168.002, by adding a subdivision; 168.012, by adding a subdivision; 168.013, subdivision 1a; 168.326; 168.327, subdivisions 1, 2, 3, by adding a subdivision; 168.33, subdivision 7; 168.345, subdivision 2; 168.54, subdivision 5; 168A.29, by adding a subdivision; 169.09, subdivision 13, by adding a subdivision; 169.14, by adding a subdivision; 169.345, subdivision 2; 169.475, subdivisions 2, 3; 169.8261; 169.865, subdivision 1a; 171.01, by adding subdivisions; 171.06, subdivisions 2, 3, as amended, 7, by adding subdivisions; 171.061, subdivision 4; 171.0705, by adding a subdivision; 171.13, subdivisions 1, 1a; 171.26; 174.01, by adding a subdivision; 174.03, subdivision 1c; 174.634; 219.015, subdivision 2; 219.1651; 221.0269, by adding a subdivision; 222.37, subdivision 1; 256.9752, by adding a subdivision; 270C.15; 297A.94; 297A.99, subdivision 1; 297A.993, by adding a subdivision; 297B.02, subdivision 1; 297B.03; 297B.09; 299A.01, by adding a subdivision; 299A.705, subdivision 1; 299D.03, subdivision 5; 299F.60, subdivision 1; 299J.16, subdivision 1; 357.021, subdivisions 6, 7; 473.146, subdivision 1, by adding a subdivision; 473.39, by adding a subdivision; 473.859, by adding a subdivision; 609.855, subdivisions 1, 3, 7, by adding a subdivision; Laws 2021, First Special Session chapter 5, article 1, sections 2, subdivision 2; 4, subdivision 4; article 4, section 143; Laws 2022, chapter 39, section 2; proposing coding for

new law in Minnesota Statutes, chapters 4; 160; 161; 168; 169; 171; 174; 297A; 473; proposing coding for new law as Minnesota Statutes, chapter 168E; repealing Minnesota Statutes 2022, sections 168.121, subdivision 5; 168.1282, subdivision 5; 168.1294, subdivision 5; 168.1299, subdivision 4; 168.345, subdivision 1; 299A.705, subdivision 2; 360.915, subdivision 5.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

TRANSPORTATION APPROPRIATIONS

Section 1. **TRANSPORTATION APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the trunk highway fund, or another named fund, and are available for the fiscal years indicated for each purpose. Amounts for "Total Appropriation" and sums shown in the corresponding columns marked "Appropriations by Fund" are summary only and do not have legal effect. Unless specified otherwise, the amounts in fiscal year 2025 under "Appropriations by Fund" show the base within the meaning of Minnesota Statutes, section 16A.11, subdivision 3, by fund. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "Each year" is each of fiscal years 2024 and 2025. "The biennium" is fiscal years 2024 and 2025. "C.S.A.H." is the county state-aid highway fund. "M.S.A.S." is the municipal state-aid street fund. "H.U.T.D." is the highway user tax distribution fund. "Staff" means those employees who are identified in any of the following roles for the legislative committees: committee administrator, committee legislative assistant, caucus research, fiscal analysis, counsel, or nonpartisan research.

APPROPRIATIONS
Available for the Year
Ending June 30
2024 **2025**

Sec. 2. **DEPARTMENT OF TRANSPORTATION**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>4,134,629,000</u>	<u>\$</u>	<u>3,717,819,000</u>
<u>Appropriations by Fund</u>				
		<u>2024</u>		<u>2025</u>
<u>General</u>		<u>544,689,000</u>		<u>43,534,000</u>
<u>Airports</u>		<u>40,368,000</u>		<u>25,368,000</u>
<u>C.S.A.H.</u>		<u>969,591,000</u>		<u>1,037,261,000</u>
<u>M.S.A.S.</u>		<u>235,757,000</u>		<u>247,087,000</u>
<u>Trunk Highway</u>		<u>2,334,224,000</u>		<u>2,364,569,000</u>

The appropriations in this section are to the commissioner of transportation.

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

Subd. 2. Multimodal Systems

(a) Aeronautics

(1) Airport Development and Assistance 59,598,000 18,598,000

<u>Appropriations by Fund</u>		
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>26,000,000</u>	<u>-0-</u>
<u>Airports</u>	<u>33,598,000</u>	<u>18,598,000</u>

The appropriation from the state airports fund must be spent according to Minnesota Statutes, section 360.305, subdivision 4.

\$15,000,000 in fiscal year 2024 is from the state airports fund for significantly delayed system maintenance of critical airport safety systems, equipment, and essential airfield technology.

\$26,000,000 in fiscal year 2024 is from the general fund for matching federal aid, related state investments, and appropriate costs incurred by the department to carry out the provisions of this section. This is a onetime appropriation and is available until June 30, 2027.

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, the appropriation from the state airports fund is available for five years after the year of the appropriation. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

If the commissioner of transportation determines that a balance remains in the state airports fund following the appropriations made in this article and that the appropriations made are insufficient for

advancing airport development and assistance projects, an amount necessary to advance the projects, not to exceed the balance in the state airports fund, is appropriated in each year to the commissioner and must be spent according to Minnesota Statutes, section 360.305, subdivision 4. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning the funds appropriated. Funds appropriated under this contingent appropriation do not adjust the base for fiscal years 2026 and 2027.

(2) Aviation Support Services 15,397,000 8,431,000

	<u>Appropriations by Fund</u>	
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>8,707,000</u>	<u>1,741,000</u>
<u>Airports</u>	<u>6,690,000</u>	<u>6,690,000</u>

\$7,000,000 in fiscal year 2024 is from the general fund to purchase two utility aircraft for the Department of Transportation.

(3) Civil Air Patrol 80,000 80,000

This appropriation is from the state airports fund for the Civil Air Patrol.

(b) Transit and Active Transportation 86,278,000 18,324,000

This appropriation is from the general fund.

\$68,000,000 in fiscal year 2024 is for matching federal aid, related state investments, and appropriate costs incurred by the department to carry out the provisions of this section. This is a onetime appropriation and is available until June 30, 2027.

(c) Safe Routes to School 15,297,000 10,500,000

This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it. The appropriations in each year are available until June 30, 2027.

The base for this appropriation is \$1,345,000 in each of fiscal years 2026 and 2027.

(d) Passenger Rail

52,455,000

3,860,000

This appropriation is from the general fund for passenger rail activities under Minnesota Statutes, sections 174.632 to 174.636.

\$1,955,000 in fiscal year 2024 and \$3,360,000 in fiscal year 2025 are to provide a match to federal aid for capital and operating costs for expanded Amtrak service between the Twin Cities and Chicago. The base for this appropriation is \$4,876,000 in each of fiscal years 2026 and 2027.

\$50,000,000 in fiscal year 2024 is for capital improvements and betterments, including preliminary engineering, design, engineering, environmental analysis and mitigation, acquisition of land and right-of-way, and construction of the Minneapolis-Duluth Northern Lights Express intercity passenger rail project. This appropriation may be used to maximize nonstate funding for the purposes of this paragraph. This is a onetime appropriation and is available until December 31, 2027.

(e) Freight

11,579,000

8,566,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
General	<u>5,212,000</u>	<u>1,900,000</u>
Trunk Highway	<u>6,367,000</u>	<u>6,666,000</u>

\$500,000 each year is from the general fund for weigh station operations and capital improvements.

\$2,429,000 in fiscal year 2024 is from the general fund for matching federal aid grants for improvements, engineering, and administrative costs for the Stone Arch Bridge in Minneapolis. This is a onetime appropriation and is available until June 30, 2027.

\$974,000 in fiscal year 2024 is from the general fund for procurement costs of a statewide freight network optimization tool under Laws 2021, First Special Session chapter 5, article 4, section 133. This is a onetime appropriation and is available until June 30, 2025.

Subd. 3. State Roads

(a) Operations and Maintenance 415,137,000 425,258,000

<u>Appropriations by Fund</u>		
	<u>2024</u>	<u>2025</u>
General	3,000,000	-0-
Trunk Highway	<u>412,137,000</u>	<u>425,258,000</u>

\$1,000,000 in fiscal year 2024 is from the general fund for the highways for habitat program under Minnesota Statutes, section 160.2325.

\$1,000,000 in fiscal year 2024 is from the general fund for living snow fence implementation, including: acquiring and planting trees, shrubs, native grasses, and wildflowers that are climate adaptive to Minnesota; improvements; contracts; easements; rental agreements; and program delivery.

\$165,000 in each year is for living snow fence implementation and maintenance activities.

\$1,000,000 in fiscal year 2024 is from the general fund for safe road zones under Minnesota Statutes, section 169.065, including for development and delivery of public awareness and education campaigns about safe road zones.

The base for the appropriation from the trunk highway fund is \$436,258,000 in each of fiscal years 2026 and 2027.

(b) Program Planning and Delivery

(1) Planning and Research

32,679,000

33,465,000

The commissioner may use any balance remaining in this appropriation for program delivery under clause (2).

\$130,000 in each year is available for administrative costs of the targeted group business program.

\$266,000 in each year is available for grants to metropolitan planning organizations outside the seven-county metropolitan area.

\$900,000 in each year is available for grants for transportation studies outside the metropolitan area to identify critical concerns, problems, and issues. These grants are available: (i) to regional development commissions; (ii) in regions where no regional development commission is functioning, to joint powers boards established under agreement of two or more political subdivisions in the region to exercise the planning functions of a regional development commission; and (iii) in regions where no regional development commission or joint powers board is functioning, to the Department of Transportation district office for that region.

The base for this appropriation is \$34,465,000 in each of fiscal years 2026 and 2027.

(2) Program Delivery

284,751,000

273,985,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>23,743,000</u>	<u>2,000,000</u>
<u>Trunk Highway</u>	<u>261,008,000</u>	<u>271,985,000</u>

This appropriation includes use of consultants to support development and management of projects.

\$20,000,000 in fiscal year 2024 is from the general fund for roadway design and related improvements that reduce speeds and eliminate intersection interactions on rural high-risk roadways. The commissioner must identify roadways based on crash information and in consultation with Toward Zero Deaths program representatives and local traffic safety partners. This is a onetime appropriation and is available until June 30, 2026.

\$2,000,000 in each year is from the general fund for implementation of climate-related programs as provided under the federal Infrastructure Investment and Jobs Act, Public Law 117-58.

\$1,193,000 in fiscal year 2024 is from the general fund for costs related to the property conveyance to the Upper Sioux Community of state-owned land within the boundaries of Upper Sioux Agency State Park, including fee purchase, property purchase, appraisals, and road and bridge demolition and related engineering.

\$300,000 in fiscal year 2024 is from the general fund for additions and modifications to work zone design or layout to reduce vehicle speeds in a work zone. This appropriation is available following a determination by the commissioner that the initial work zone design or layout insufficiently provides for reduced vehicle speeds.

\$250,000 in fiscal year 2024 is from the general fund for costs related to the Clean Transportation Standard and Sustainable Aviation Fuel Working Group established under article 8, section 57.

\$1,000,000 in each year is available for management of contaminated and regulated material on property owned by the Department of Transportation, including mitigation of property conveyances, facility acquisition or expansion, chemical release at maintenance facilities, and spills on the trunk highway system where there is no known responsible party. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

The base for the appropriation from the trunk highway fund is \$278,985,000 in each of fiscal years 2026 and 2027.

(c) State Road Construction

1,205,213,000

1,177,795,000

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts, internal department costs associated with delivering the construction program, consultant usage to support these activities, and the cost of actual payments to landowners for lands acquired for highway rights-of-way, payment to lessees, interest subsidies, and relocation expenses.

This appropriation includes federal highway aid. The commissioner of transportation must notify the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance of any significant events that cause the estimates of federal aid to change.

The commissioner may expend up to one-half of one percent of the federal appropriations under this paragraph as grants to opportunity industrialization centers and other nonprofit job training centers for job training programs related to highway construction.

The commissioner may transfer up to \$15,000,000 in each year to the transportation revolving loan fund.

The commissioner may receive money covering other shares of the cost of partnership projects. These receipts are appropriated to the commissioner for these projects.

The base for this appropriation is \$1,165,313,000 in each of fiscal years 2026 and 2027.

(d) Corridors of Commerce

25,000,000

28,750,000

This appropriation is for the corridors of commerce program under Minnesota Statutes, section 161.088. The commissioner may use up to 17 percent of the amount in each year for program delivery.

The base for this appropriation is \$28,500,000 in each of fiscal years 2026 and 2027.

(e) Highway Debt Service

267,808,000

291,004,000

\$264,808,000 in fiscal year 2024 and \$288,004,000 in fiscal year 2025 are for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of management and budget must transfer the deficiency amount as provided under Minnesota Statutes, section 16A.641, and notify the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance and the chairs of the senate Finance Committee and the house of representatives Ways and Means Committee of the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.

(f) Statewide Radio Communications

8,653,000

6,907,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>2,003,000</u>	<u>3,000</u>
<u>Trunk Highway</u>	<u>6,650,000</u>	<u>6,904,000</u>

\$3,000 in each year is from the general fund to equip and operate the Roosevelt signal tower for Lake of the Woods weather broadcasting.

\$2,000,000 in fiscal year 2024 is from the general fund for Allied Radio Matrix for Emergency Response (ARMER) tower building improvements and replacement.

Subd. 4. Local Roads

(a) County State-Aid Highways

969,591,000

1,037,261,000

This appropriation is from the county state-aid highway fund under Minnesota Statutes, sections 161.081 and 297A.815, subdivision 3, and chapter 162, and is available until June 30, 2033.

If the commissioner of transportation determines that a balance remains in the county state-aid highway fund following the appropriations and transfers made in this paragraph and that the appropriations made are insufficient for advancing county state-aid highway projects, an amount necessary to advance the projects, not to exceed the balance in the county state-aid highway fund, is appropriated in each year to the commissioner. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. The governor must identify in the next budget submission to the legislature under Minnesota Statutes, section 16A.11, any amount that is appropriated under this paragraph.

(b) Municipal State-Aid Streets

235,757,000

247,087,000

This appropriation is from the municipal state-aid street fund under Minnesota Statutes, chapter 162, and is available until June 30, 2033.

If the commissioner of transportation determines that a balance remains in the municipal state-aid street fund following the appropriations and transfers made in this paragraph and that the appropriations made are insufficient for advancing municipal state-aid street projects, an amount necessary to advance the projects, not to exceed the balance in the municipal state-aid street fund, is appropriated in each year to the commissioner. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. The governor must identify in the next budget submission to the legislature under Minnesota Statutes, section 16A.11, any amount that is appropriated under this paragraph.

(c) Other Local Roads

(1) Local Bridges

45,000,000

-0-

This appropriation is from the general fund to replace or rehabilitate local deficient bridges under Minnesota Statutes, section 174.50. This is a onetime appropriation and is available until June 30, 2027.

(2) Local Road Improvement

45,000,000

-0-

This appropriation is from the general fund for construction and reconstruction of local roads under Minnesota Statutes, section 174.52. This is a onetime appropriation and is available until June 30, 2027.

(3) Local Transportation Disaster Support Account

4,300,000

1,000,000

This appropriation is from the general fund to provide a cost-share for federal assistance from the Federal Highway Administration for the emergency relief program under United States Code, title 23, section 125. Of

the appropriation in fiscal year 2024, \$3,300,000 is onetime and is available until June 30, 2027.

Subd. 5. Agency Management

(a) Agency Services 313,666,000 85,228,000

<u>Appropriations by Fund</u>		
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>237,639,000</u>	<u>4,151,000</u>
<u>Trunk Highway</u>	<u>76,027,000</u>	<u>81,077,000</u>

\$216,400,000 in fiscal year 2024 is from the general fund for match requirements for federal formula and discretionary grant programs. From this amount, the commissioner may make grants to any eligible applicant for match requirements and pay for costs incurred by the department in providing technical assistance to eligible applicants for federal discretionary grant programs. Of this amount, \$100,000,000 is for grants to local governments to meet federal match requirements. This is a onetime appropriation and is available until June 30, 2027.

\$13,790,000 in fiscal year 2024 and \$190,000 in fiscal year 2025 are from the general fund for matching federal aid, related state investments, and appropriate costs incurred by the department, including staff costs, to carry out the electric vehicle infrastructure program under Minnesota Statutes, section 174.47. Of this appropriation, \$13,600,000 in fiscal year 2024 is onetime and is available until June 30, 2027.

\$900,000 in each year is from the general fund for the purpose of establishing a Tribal affairs workforce training program related to the construction industry. The commissioner may enter into an agreement with any private, public, or Tribal entity for the planning, designing, developing, delivery, and hosting of the program. The commissioner may use

this appropriation to pay for reasonable administration costs of the program.

\$2,000,000 in fiscal year 2024 is from the general fund for federal transportation grants technical assistance under article 8, section 59. This is a onetime appropriation and is available until June 30, 2027.

\$3,500,000 in fiscal year 2024 and \$2,000,000 in fiscal year 2025 are from the general fund for investments in asset management technologies, document and data transfer programs, research project management, and other information technology projects.

(b) Buildings 40,790,000 41,120,000

<u>Appropriations by Fund</u>		
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>55,000</u>	<u>55,000</u>
<u>Trunk Highway</u>	<u>40,735,000</u>	<u>41,065,000</u>

Any money appropriated to the commissioner of transportation for building construction for any fiscal year before fiscal year 2024 is available to the commissioner during the biennium to the extent that the commissioner spends the money on the building construction projects for which the money was originally encumbered during the fiscal year for which it was appropriated. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(c) Tort Claims 600,000 600,000

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 6. Transfers

(a) With the approval of the commissioner of management and budget, the commissioner of transportation may transfer unencumbered balances among the

appropriations from the trunk highway fund and the state airports fund made in this section. Transfers under this paragraph must not be made: (1) between funds; (2) from the appropriations for state road construction or debt service; or (3) from the appropriations for operations and maintenance or program delivery, except for a transfer to state road construction or debt service.

(b) The commissioner of transportation must immediately report transfers under paragraph (a) to the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance. The authority for the commissioner of transportation to make transfers under Minnesota Statutes, section 16A.285, is superseded by the authority and requirements under this subdivision.

(c) The commissioner of transportation must transfer from the flexible highway account in the county state-aid highway fund:

(1) \$1,850,000 in fiscal year 2024 to the trunk highway fund;

(2) \$5,000,000 in fiscal year 2024 to the municipal turnback account in the municipal state-aid street fund; and

(3) the remainder in each year to the county turnback account in the county state-aid highway fund.

The funds transferred are for highway turnback purposes as provided under Minnesota Statutes, section 161.081, subdivision 3.

Subd. 7. Contingent Appropriations

The commissioner of transportation, with the approval of the governor and the written approval of at least five members of a group consisting of the members of the Legislative Advisory Commission under Minnesota Statutes, section 3.30, and the ranking

minority members of the legislative committees with jurisdiction over transportation finance, may transfer all or part of the unappropriated balance in the trunk highway fund to an appropriation: (1) for trunk highway design, construction, or inspection in order to take advantage of an unanticipated receipt of income to the trunk highway fund or to take advantage of federal advanced construction funding; (2) for trunk highway maintenance in order to meet an emergency; or (3) to pay tort or environmental claims. Nothing in this subdivision authorizes the commissioner to increase the use of federal advanced construction funding beyond amounts specifically authorized. Any transfer as a result of the use of federal advanced construction funding must include an analysis of the effects on the long-term trunk highway fund balance. The amount transferred is appropriated for the purpose of the account to which it is transferred.

Sec. 3. METROPOLITAN COUNCIL

Subdivision 1. <u>Total Appropriation</u>	\$	<u>139,630,000</u>	\$	<u>88,630,000</u>
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The appropriations in this section are from the general fund to the Metropolitan Council.

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

Subd. 2. <u>Transit System Operations</u>		<u>83,654,000</u>		<u>32,654,000</u>
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This appropriation is for transit system operations under Minnesota Statutes, sections 473.371 to 473.449.

\$50,000,000 in fiscal year 2024 is for a grant to Hennepin County for the Blue Line light rail transit extension project, including but not limited to predesign, design, engineering, environmental analysis and mitigation, right-of-way acquisition, construction, and acquisition of rolling stock. This is a onetime

appropriation and is available until June 30, 2030.

\$1,000,000 in fiscal year 2024 is for the metropolitan land use and transportation policy study under article 6, section 37.

Subd. 3. <u>Metro Mobility</u>	<u>55,976,000</u>	<u>55,976,000</u>
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This appropriation is for Metro Mobility under Minnesota Statutes, section 473.386.

Sec. 4. DEPARTMENT OF PUBLIC SAFETY

Subdivision 1. <u>Total Appropriation</u>	\$ <u>285,693,000</u>	\$ <u>274,581,000</u>
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Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>49,796,000</u>	<u>31,672,000</u>
<u>H.U.T.D.</u>	<u>1,336,000</u>	<u>1,378,000</u>
<u>Special Revenue</u>	<u>69,495,000</u>	<u>70,583,000</u>
<u>Trunk Highway</u>	<u>165,066,000</u>	<u>170,948,000</u>

The appropriations in this section are to the commissioner of public safety.

The amounts that may be spent for each purpose are specified in the following subdivisions. The commissioner must spend appropriations from the trunk highway fund in subdivision 3 only for state patrol purposes.

Subd. 2. Administration and Related Services

(a) <u>Office of Communications</u>	<u>786,000</u>	<u>928,000</u>
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This appropriation is from the general fund.

(b) <u>Public Safety Support</u>	<u>7,684,000</u>	<u>8,755,000</u>
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Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>2,757,000</u>	<u>3,546,000</u>
<u>Trunk Highway</u>	<u>4,927,000</u>	<u>5,209,000</u>

(c) <u>Public Safety Officer Survivor Benefits</u>	<u>640,000</u>	<u>640,000</u>
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This appropriation is from the general fund for payment of public safety officer survivor

benefits under Minnesota Statutes, section 299A.44. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(d) Public Safety Officer Reimbursements 1,367,000 1,367,000

This appropriation is from the general fund for transfer to the public safety officer's benefit account. This money is available for reimbursements under Minnesota Statutes, section 299A.465.

(e) Soft Body Armor Reimbursements 745,000 745,000

This appropriation is from the general fund for soft body armor reimbursements under Minnesota Statutes, section 299A.38.

(f) Technology and Support Services 6,712,000 6,783,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>1,645,000</u>	<u>1,684,000</u>
<u>Trunk Highway</u>	<u>5,067,000</u>	<u>5,099,000</u>

Subd. 3. State Patrol

(a) Patrolling Highways 154,044,000 141,731,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>14,887,000</u>	<u>37,000</u>
<u>H.U.T.D.</u>	<u>92,000</u>	<u>92,000</u>
<u>Trunk Highway</u>	<u>139,065,000</u>	<u>141,602,000</u>

\$350,000 in fiscal year 2024 is from the general fund for predesign of a State Patrol headquarters building and related storage and training facilities. The commissioner of public safety must work with the commissioner of administration to complete the predesign. This is a onetime appropriation and is available until June 30, 2027.

\$14,500,000 in fiscal year 2024 is from the general fund to purchase a helicopter for the State Patrol. This is a onetime appropriation and is available until June 30, 2025.

\$2,300,000 in fiscal year 2024 is from the trunk highway fund to purchase a Cirrus single engine airplane for the State Patrol. This is a onetime appropriation and is available until June 30, 2025.

\$611,000 in fiscal year 2024 and \$352,000 in fiscal year 2025 are from the trunk highway fund to support the State Patrol's accreditation process under the Commission on Accreditation for Law Enforcement Agencies.

(b) Commercial Vehicle Enforcement

15,446,000

18,423,000

\$2,948,000 in fiscal year 2024 and \$5,248,000 in fiscal year 2025 are from the trunk highway fund to provide the required match for federal grants for additional troopers and nonsworn commercial vehicle inspectors.

(c) Capitol Security

18,666,000

19,231,000

This appropriation is from the general fund.

The commissioner must not:

(1) spend any money from the trunk highway fund for capitol security; or

(2) permanently transfer any state trooper from the patrolling highways activity to capitol security.

The commissioner must not transfer any money appropriated to the commissioner under this section:

(1) to capitol security; or

(2) from capitol security.

(d) Vehicle Crimes Unit

1,244,000

1,286,000

This appropriation is from the highway user tax distribution fund to investigate:

(1) registration tax and motor vehicle sales tax liabilities from individuals and businesses that currently do not pay all taxes owed; and

(2) illegal or improper activity related to the sale, transfer, titling, and registration of motor vehicles.

Subd. 4. Driver and Vehicle Services

(a) Driver Services

39,959,000

40,544,000

This appropriation is from the driver and vehicle services operating account under Minnesota Statutes, section 299A.705.

\$750,000 in fiscal year 2024 is for reimbursement to driver's license agents for the purchase of equipment necessary for a full-service provider, as defined in Minnesota Statutes, section 171.01, subdivision 33a, following application to the commissioner. The commissioner may provide no more than \$15,000 to each driver's license agent.

\$115,000 in fiscal year 2024 and \$109,000 in fiscal year 2025 are for staff costs to manage, review, and audit online driver education programs.

\$262,000 in fiscal year 2024 and \$81,000 in fiscal year 2025 are for implementation of race and ethnicity information collection from applicants for drivers' licenses and identification cards.

(b) Vehicle Services

28,093,000

28,596,000

This appropriation is from the driver and vehicle services operating account under Minnesota Statutes, section 299A.705.

\$1,600,000 in fiscal year 2024 and \$1,300,000 in fiscal year 2025 are for staff and operating costs related to additional vehicle inspection sites.

\$101,000 in fiscal year 2024 and \$96,000 in fiscal year 2025 are for staff costs related to monitoring and auditing records issued by full-service providers.

\$57,000 in fiscal year 2024 and \$51,000 in fiscal year 2025 are for an appeals process

for information technology system data access revocations, including costs of staff and equipment.

Subd. 5. Traffic Safety

8,864,000

4,109,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>8,303,000</u>	<u>3,494,000</u>
<u>Trunk Highway</u>	<u>561,000</u>	<u>615,000</u>

\$2,000,000 in each year is from the general fund for the administration of the Traffic Safety Advisory Council under Minnesota Statutes, section 4.076, including staff costs.

\$407,000 in fiscal year 2024 and \$813,000 in fiscal year 2025 are from the general fund for staff and operating costs to create a Traffic Safety Data Analytics Center.

\$50,000 in fiscal year 2024 is from the general fund for an education and awareness campaign on motor vehicles passing school buses, designed to: (1) help reduce occurrences of motor vehicles unlawfully passing school buses; and (2) inform drivers about the safety of pupils boarding and unloading from school buses, including laws requiring a motor vehicle to stop when a school bus has extended the stop-signal arm and is flashing red lights and penalties for violations. The commissioner must identify best practices, review effective communication methods to educate drivers, and consider multiple forms of media to convey the information.

\$100,000 in fiscal year 2024 is from the general fund for a public awareness campaign to promote understanding and compliance with laws regarding the passing of parked authorized vehicles.

\$98,000 in each year is from the general fund to coordinate a statewide traffic safety equity program, including staff costs.

\$2,000,000 in fiscal year 2024 is from the general fund for grants to law enforcement agencies to undertake targeted speed reduction efforts on rural high-risk roadways.

\$2,000,000 in fiscal year 2024 is for grants to local units of government to increase traffic safety enforcement activities, including for training, equipment, overtime, and related costs for peace officers to perform duties that are specifically related to traffic management and traffic safety.

\$350,000 in fiscal year 2024 is from the general fund for grants to local units of government for safe ride programs that provide safe transportation options for patrons of hospitality and entertainment businesses within a community.

\$500,000 in fiscal year 2024 is from the general fund for grants to local units of government to perform additional traffic safety enforcement activities in safe road zones under Minnesota Statutes, section 169.065.

\$250,000 in fiscal year 2024 is from the general fund for the traffic safety violations disposition analysis under article 8, section 64.

Subd. 6. Pipeline Safety

1,443,000

1,443,000

This appropriation is from the pipeline safety account in the special revenue fund under Minnesota Statutes, section 299J.18.

Sec. 5. APPROPRIATION CANCELLATIONS.

(a) \$4,797,000 of the appropriation in fiscal year 2022 for safe routes to school under Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2, paragraph (c), is canceled to the general fund on June 29, 2023.

(b) \$974,000 of the appropriation from the general fund in fiscal year 2022 for freight under Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2, paragraph (e), is canceled to the general fund on June 29, 2023.

(c) \$15,000 of the appropriation in fiscal year 2022 and \$15,000 of the appropriation in fiscal year 2023 to the commissioner of employment and economic development from the general fund under Laws 2021, First Special Session chapter 5, article 1, section 7, is canceled to the general fund on June 29, 2023.

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

Sec. 6. APPROPRIATION; SMALL COMMUNITY PARTNERSHIPS.

(a) \$1,000,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are appropriated from the general fund to the Board of Regents of the University of Minnesota for small community partnerships on infrastructure project analysis and development as provided in this section. This is a onetime appropriation and is available until June 30, 2026.

(b) The appropriation under this section must be used for:

(1) partnership activities in the Regional Sustainable Development Partnerships, the Center for Transportation Studies, the Minnesota Design Center, the Humphrey School of Public Affairs, the Center for Urban and Regional Affairs, or other related entities;

(2) support and assistance to small communities that includes:

(i) methods to incorporate consideration of sustainability, resiliency, and adaptation to the impacts of climate change; and

(ii) identification and cross-sector analysis of any potential associated projects and efficiencies through coordinated investments in other infrastructure or assets; and

(3) prioritization of support and assistance to political subdivisions and federally recognized Tribal governments based on insufficiency of capacity to undertake project development and apply for state or federal infrastructure grants.

(c) The agreement may provide for project analysis and development activities that include but are not limited to planning, scoping, analysis, predesign, design, preengineering, and engineering.

Sec. 7. APPROPRIATION; STATE PATROL OPERATING DEFICIENCY.

(a) \$6,728,000 in fiscal year 2023 is appropriated from the trunk highway fund to the commissioner of public safety for State Patrol operating costs. This is a onetime appropriation and is available until December 31, 2023.

(b) \$106,000 in fiscal year 2023 is appropriated from the highway user tax distribution fund to the commissioner of public safety for the State Patrol Vehicle Crimes Unit. This is a onetime appropriation and is available until December 31, 2023.

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

Sec. 8. APPROPRIATION; TRANSPORTATION MANAGEMENT ORGANIZATIONS.

(a) \$300,000 in fiscal year 2024 and \$300,000 in fiscal year 2025 are appropriated from the general fund to the commissioner of transportation for grants to the I-494 Corridor Commission to provide telework resources, assistance, information, and related activities on a statewide basis.

(b) \$300,000 in fiscal year 2024 and \$300,000 in fiscal year 2025 are appropriated from the general fund to the commissioner of transportation for grants to the St. Paul transportation management organization. The organization must provide public education and information to support a reduction in vehicle miles traveled throughout the metropolitan area.

(c) \$103,000 in fiscal year 2024 and \$103,000 in fiscal year 2025 are appropriated from the general fund to the commissioner of transportation for grants to the downtown Minneapolis transportation management organization. Programs funded with this appropriation must include but are not limited to a hybrid commuter education pilot program.

(d) \$350,000 in fiscal year 2024 is appropriated from the general fund to the commissioner of transportation for grants to the city of Chatfield to develop a transportation management organization in southeastern Minnesota. Funds under this paragraph are available for developing a comprehensive assessment and financial plan for a transportation management organization in the counties of Rice, Goodhue, Dodge, Steele, Wabasha, Olmsted, Winona, Freeborn, Mower, Fillmore, and Houston. The study must assess how the transportation management organization can develop resources to meet the region's growing and changing transportation needs and prioritize transportation-related challenges that affect the region's workforce, access to health care and postsecondary education, and quality of life.

(e) Funds under paragraphs (a) to (c) are available for programming and service expansion to assist companies and commuters with carpool, vanpool, bicycle commuting, telework, and transit.

(f) The commissioner must not retain any portion of the appropriations under this section.

Sec. 9. Laws 2018, chapter 214, article 1, section 16, subdivision 11, as amended by Laws 2019, chapter 2, article 2, section 4, is amended to read:

Subd. 11. Corridors of Commerce

400,000,000

(a) From the bond proceeds account in the trunk highway fund for the corridors of commerce program under Minnesota Statutes, section 161.088.

(b) This appropriation is available in the amounts of:

(1) \$150,000,000 in fiscal year 2022;

(2) \$150,000,000 in fiscal year 2023; and

(3) \$100,000,000 in fiscal year 2024.

(c) The commissioner must select projects for the corridors of commerce program solely

using the results of the spring 2018 evaluation for the corridors of commerce program, in order based on total score. In addition to the projects selected for funding in the first round from the spring 2018 evaluation, the commissioner must select at least two projects located outside the Department of Transportation metropolitan district. If funds are insufficient for an identified project, the commissioner must either select the identified project, or select one or more alternative projects that are (1) for a segment within the project limits of the identified project; and (2) also identified and scored in the spring 2018 evaluation process. For projects located outside the Department of Transportation metropolitan district, the commissioner must not select a project located in a county within which a project was selected for funding in the first round in the spring 2018 evaluation for the corridors of commerce program.

(d) Notwithstanding the project selection requirements under paragraph (c), any remaining amount of this appropriation is for predesign, design, engineering, and construction of an overpass and associated safety improvements at the intersection of marked Trunk Highway 9 and marked Trunk Highway 23 in the city of New London.

(e) The appropriation in Laws 2017, First Special Session chapter 3, article 2, section 2, subdivision 1, is available for the projects selected under paragraph (c) that the commissioner determines are ready to proceed.

~~(e)~~ (f) The appropriation in this subdivision is available for any projects selected by the commissioner using the results of the evaluation for the corridors of commerce program conducted in spring 2018.

~~(f)~~ (g) This appropriation cancels as specified under Minnesota Statutes, section 16A.642, except that the commissioner of management

and budget shall count the start of authorization for issuance of state bonds as the first day of the fiscal year during which the bonds are available to be issued, and not as the date of enactment of this section.

Sec. 10. Laws 2021, First Special Session chapter 5, article 1, section 4, subdivision 4, is amended to read:

Subd. 4. Driver and Vehicle Services

(a) Driver Services	44,820,000	39,685,000
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This appropriation is from the driver services operating account in the special revenue fund under Minnesota Statutes, section 299A.705, subdivision 2.

\$2,598,000 in each year is for costs to reopen all driver's license examination stations that were closed in 2020 due to the COVID-19 pandemic. This amount is not available for the public information center, general administration, or operational support. This is a onetime appropriation.

\$2,229,000 in fiscal year 2022 and \$155,000 in fiscal year 2023 are for costs of a pilot project for same-day issuance of drivers' licenses and state identification cards.

The base is \$36,398,000 in each of fiscal years 2024 and 2025. Any unexpended amount of this appropriation remaining on June 30, 2023, cancels to the driver and vehicle services operating account under Minnesota Statutes, section 299A.705.

(b) Vehicle Services	37,418,000	<u>35,535,000</u> <u>27,299,000</u>
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Appropriations by Fund		
	2022	2023
H.U.T.D.	686,000	-0-
Special Revenue	36,732,000	<u>35,535,000</u> <u>27,299,000</u>

The special revenue fund appropriation is from the vehicle services operating account

under Minnesota Statutes, section 299A.705, subdivision 1.

\$200,000 in fiscal year 2022 is from the vehicle services operating account for the independent expert review of MnDRIVE under article 4, section 144, for expenses of the chair and the review team related to work completed pursuant to that section, including any contracts entered into. This is a onetime appropriation.

\$250,000 in fiscal year 2022 is from the vehicle services operating account for programming costs related to the implementation of self-service kiosks for vehicle registration renewal. This is a onetime appropriation and is available in fiscal year 2023.

The base is \$33,788,000 in each of fiscal years 2024 and 2025. Any unexpended amount of the appropriation from the special revenue fund remaining on June 30, 2023, cancels to the driver and vehicle services operating account under Minnesota Statutes, section 299A.705.

Sec. 11. APPROPRIATION; DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT.

\$30,000 in fiscal year 2024 is appropriated from the general fund to the commissioner of employment and economic development for temporary staff costs related to the procurement of a statewide freight optimization tool for the Department of Transportation. This is a onetime appropriation and is available until June 30, 2025.

Sec. 12. APPROPRIATION; TRAFFIC SAFETY.

\$2,000,000 in fiscal year 2024 is appropriated from the general fund to the commissioner of public safety for grants to school districts, nonpublic schools, charter schools, and companies that provide school bus services for the purchase and installation of school bus stop-signal arm camera systems. In awarding grants, the commissioner must follow the same requirements as under Laws 2021, First Special Session chapter 5, article 1, section 4, subdivision 5. This is a onetime appropriation and is available until June 30, 2025.

Sec. 13. TRANSFERS.

(a) \$323,112,000 in fiscal year 2024 is transferred from the general fund to the trunk highway fund for the state match for highway formula and discretionary grants under the federal Infrastructure Investment and Jobs Act, Public Law 117-58, and for related state investments.

(b) \$25,000,000 in fiscal year 2024 and \$25,000,000 in fiscal year 2025 are transferred from the general fund to the active transportation account under Minnesota Statutes, section 174.38. The base for this transfer is \$2,799,000 in fiscal year 2026 and \$2,800,000 in fiscal year 2027.

(c) \$500,000 in fiscal year 2024 is transferred from the general fund to the disadvantaged communities carsharing grant account under Minnesota Statutes, section 174.46, for the purposes of the grant program under that section.

(d) \$10,000,000 in fiscal year 2024 and \$10,000,000 in fiscal year 2025 are transferred from the general fund to the full-service provider account under Minnesota Statutes, section 299A.705. This is a onetime transfer.

(e) By June 30, 2023, the commissioner of management and budget must transfer any remaining unappropriated balance, estimated to be \$232,000, from the driver services operating account in the special revenue fund to the driver and vehicle services operating account under Minnesota Statutes, section 299A.705.

(f) By June 30, 2023, the commissioner of management and budget must transfer any remaining unappropriated balance, estimated to be \$13,454,000, from the vehicle services operating account in the special revenue fund to the driver and vehicle services operating account under Minnesota Statutes, section 299A.705.

ARTICLE 2

TRUNK HIGHWAY BONDS

Section 1. BOND APPROPRIATIONS.

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds account in the trunk highway fund to the state agencies or officials indicated to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, articles XI and XIV. Unless otherwise specified, money appropriated in this article for a capital program or project may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget.

SUMMARY

<u>Department of Transportation</u>	\$	<u>550,000,000</u>
<u>Department of Management and Budget</u>	\$	<u>550,000</u>
<u>TOTAL</u>	\$	<u>550,550,000</u>

APPROPRIATIONS

Sec. 2. DEPARTMENT OF TRANSPORTATION

Subdivision 1. Corridors of Commerce\$ 350,000,000

(a) This appropriation is to the commissioner of transportation for the corridors of commerce program under Minnesota Statutes, section 161.088. The commissioner may use up to 17 percent of the amount for program delivery.

(b) This appropriation is available in the amounts of:

(1) \$175,000,000 in fiscal year 2024; and

(2) \$175,000,000 in fiscal year 2025.

(c) The appropriation in this subdivision cancels as specified under Minnesota Statutes, section 16A.642, except that the commissioner of management and budget must count the start of authorization for issuance of state bonds as the first day of the fiscal year during which the bonds are available to be issued as specified under paragraph (b), and not as the date of enactment of this section.

Subd. 2. State Road Construction200,000,000

(a) This appropriation is to the commissioner of transportation for construction, reconstruction, and improvement of trunk highways, including design-build contracts, internal department costs associated with delivering the construction program, and consultant usage to support these activities. The commissioner may use up to 17 percent of the amount for program delivery.

(b) This appropriation is available in the amounts of:

(1) \$100,000,000 in fiscal year 2024; and

(2) \$100,000,000 in fiscal year 2025.

(c) The appropriation in this subdivision cancels as specified under Minnesota Statutes, section 16A.642, except that the

commissioner of management and budget must count the start of authorization for issuance of state bonds as the first day of the fiscal year during which the bonds are available to be issued as specified under paragraph (b), and not as the date of enactment of this section.

Sec. 3. **BOND SALE EXPENSES**

\$ **550,000**

(a) This appropriation is to the commissioner of management and budget for bond sale expenses under Minnesota Statutes, sections 16A.641, subdivision 8, and 167.50, subdivision 4.

(b) This appropriation is available in the amounts of:

(1) \$275,000 in fiscal year 2024; and

(2) \$275,000 in fiscal year 2025.

Sec. 4. **BOND SALE AUTHORIZATION.**

To provide the money appropriated in this article from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$550,550,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be deposited in the bond proceeds account in the trunk highway fund.

ARTICLE 3

TRANSPORTATION FINANCE

Section 1. Minnesota Statutes 2022, section 162.145, subdivision 2, is amended to read:

Subd. 2. **Small cities assistance account.** A small cities assistance account is created in the special revenue fund. The account consists of ~~funds as provided by law, and any other~~ money donated, allotted, transferred, or otherwise provided to the account. Money in the account is annually appropriated to the commissioner of transportation and may only be expended as provided under this section.

Sec. 2. Minnesota Statutes 2022, section 162.145, subdivision 3, is amended to read:

Subd. 3. **Administration.** (a) ~~Subject to funds made available by law,~~ The commissioner must allocate all funds in the small cities assistance account as provided in subdivision 4 and must, by June 1, certify to the commissioner of revenue the amounts to be paid.

(b) Following certification from the commissioner, the commissioner of revenue must distribute the specified funds to cities in the same manner as local government aid under chapter 477A. An appropriation to the commissioner under this section is available to the commissioner of revenue for the purposes specified in this paragraph.

(c) Notwithstanding other law to the contrary, in order to receive distributions under this section, a city must conform to the standards in section 477A.017, subdivision 2. A city that receives funds under this section must make and preserve records necessary to show that the funds are spent in compliance with subdivision 5.

Sec. 3. Minnesota Statutes 2022, section 162.145, subdivision 4, is amended to read:

Subd. 4. **Distribution formula.** (a) ~~In each fiscal year in which funds are available under this section, the commissioner shall allocate funds to eligible cities.~~

~~(b)~~ (a) The preliminary aid to each city is calculated as follows:

(1) five percent of funds allocated equally among all eligible cities;

(2) 35 percent of funds allocated proportionally based on each city's share of lane miles of municipal streets compared to total lane miles of municipal streets of all eligible cities;

(3) 35 percent of funds allocated proportionally based on each city's share of population compared to total population of all eligible cities; and

(4) 25 percent of funds allocated proportionally based on each city's share of state-aid adjustment factor compared to the sum of state-aid adjustment factors of all eligible cities.

~~(e)~~ (b) The final aid to each city is calculated as the lesser of:

(1) the preliminary aid to the city multiplied by an aid factor; or

(2) the maximum aid.

~~(d)~~ (c) The commissioner shall set the aid factor under paragraph ~~(e)~~ (b), which must be the same for all eligible cities, so that the total funds allocated under this subdivision equals the total amount available for the fiscal year.

Sec. 4. **[162.146] LARGER CITIES ASSISTANCE ACCOUNT.**

Subdivision 1. **Larger cities assistance account.** A larger cities assistance account is created in the special revenue fund. The account consists of money allotted, appropriated, or transferred through gift or grant to the account. Money in the account is annually appropriated to the commissioner of transportation for apportionment among all the cities that are eligible to receive municipal state aid under sections 162.09 to 162.14.

Subd. 2. **Distribution formula.** The commissioner must apportion: (1) 50 percent of the money so that of that amount, each city receives the percentage that its population bears to the total population of all cities that are eligible to receive municipal state aid under sections 162.09 to 162.14; and (2) 50 percent of the money so that of that amount, each city receives the percentage that its money needs, as determined by the commissioner under section 162.13, subdivision 3, bears to the total money needs of all cities that are eligible to receive municipal state aid under sections 162.09 to 162.14.

Sec. 5. Minnesota Statutes 2022, section 168.013, subdivision 1a, is amended to read:

Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined in section 168.002, subdivision 24, and hearses, except as otherwise provided, the registration tax is calculated as \$10 plus:

(1) for a vehicle initially registered in Minnesota prior to November 16, 2020, ~~4.25~~ 1.54 percent of the manufacturer's suggested retail price of the vehicle and the destination charge, subject to the adjustments in paragraphs (f) and (g); or

(2) for a vehicle initially registered in Minnesota on or after November 16, 2020, ~~4.285~~ 1.575 percent of the manufacturer's suggested retail price of the vehicle, subject to the adjustments in paragraphs (f) and (g).

(b) The registration tax calculation must not include the cost of each accessory or item of optional equipment separately added to the vehicle and the manufacturer's suggested retail price. The registration tax calculation must not include a destination charge, except for a vehicle previously registered in Minnesota prior to November 16, 2020.

(c) In the case of the first registration of a new vehicle sold or leased by a licensed dealer, the dealer may elect to individually determine the registration tax on the vehicle using manufacturer's suggested retail price information provided by the manufacturer. The registrar must use the manufacturer's suggested retail price determined by the dealer as provided in paragraph (d). A dealer that elects to make the determination must retain a copy of the manufacturer's suggested retail price label or other supporting documentation with the vehicle transaction records maintained under Minnesota Rules, part 7400.5200.

(d) The registrar must determine the manufacturer's suggested retail price:

(1) using list price information published by the manufacturer or any nationally recognized firm or association compiling such data for the automotive industry;

(2) if the list price information is unavailable, using the amount determined by a licensed dealer under paragraph (c);

(3) if a dealer does not determine the amount, using the retail price label as provided by the manufacturer under United States Code, title 15, section 1232; or

(4) if the retail price label is not available, using the actual sales price of the vehicle.

If the registrar is unable to ascertain the manufacturer's suggested retail price of any registered vehicle in the foregoing manner, the registrar may use any other available source or method.

(e) The registrar must calculate the registration tax using information available to dealers and deputy registrars at the time the initial application for registration is submitted.

(f) The amount under paragraph (a), clauses (1) and (2), must be calculated based on a percentage of the manufacturer's suggested retail price, as follows:

(1) during the first year of vehicle life, upon 100 percent of the price;

(2) for the second year, ~~90~~ 95 percent of the price;

(3) for the third year, ~~80~~ 90 percent of the price;

(4) for the fourth year, ~~70~~ 80 percent of the price;

(5) for the fifth year, ~~60~~ 70 percent of the price;

(6) for the sixth year, ~~50~~ 60 percent of the price;

(7) for the seventh year, ~~40~~ 50 percent of the price;

(8) for the eighth year, ~~30~~ 40 percent of the price;

(9) for the ninth year, ~~20~~ 25 percent of the price; and

(10) for the tenth year, ten percent of the price.

(g) For the 11th and each succeeding year, the amount under paragraph (a), clauses (1) and (2), must be calculated as ~~\$25~~ \$20.

(h) Except as provided in subdivision 23, for any vehicle previously registered in Minnesota and regardless of prior ownership, the total amount due under this subdivision and subdivision 1m must not exceed the smallest total amount previously paid or due on the vehicle.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to taxes payable for a registration period starting on or after January 1, 2024.

Sec. 6. **[168.1287] MINNESOTA BLACKOUT SPECIAL LICENSE PLATES.**

Subdivision 1. Issuance of plates. The commissioner must issue blackout special license plates or a single motorcycle plate to an applicant who:

(1) is a registered owner of a passenger automobile, noncommercial one-ton pickup truck, motorcycle, or recreational vehicle;

(2) pays an additional fee in the amount specified for special plates under section 168.12, subdivision 5;

(3) pays the registration tax as required under section 168.013;

(4) pays the fees required under this chapter;

(5) contributes a minimum of \$30 annually to the trunk highway fund; and

(6) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

Subd. 2. **Design.** The commissioner must adopt a suitable plate design that includes a black background with white text.

Subd. 3. **Plates transfer.** On application to the commissioner and payment of a transfer fee of \$5, special plates issued under this section may be transferred to another motor vehicle if the subsequent vehicle is:

(1) qualified under subdivision 1, clause (1), to bear the special plates; and

(2) registered to the same individual to whom the special plates were originally issued.

Subd. 4. **Exemption.** Special plates issued under this section are not subject to section 168.1293, subdivision 2.

Subd. 5. **Contributions; account.** Contributions collected under subdivision 1, clause (5), must be deposited in the trunk highway fund.

EFFECTIVE DATE. This section is effective January 1, 2024, for blackout special plates issued on or after that date.

Sec. 7. Minnesota Statutes 2022, section 174.38, subdivision 3, is amended to read:

Subd. 3. **Active transportation account.** An active transportation account is established in the special revenue fund. The account consists of funds provided by law and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account is annually appropriated to the commissioner and must be expended only on a project projects that receives receive financial assistance under this section.

Sec. 8. Minnesota Statutes 2022, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

(a) Except as provided in this section, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of management and budget shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit in the state treasury the revenues collected under section 297A.64, subdivision 1, including interest and penalties and minus refunds, and credit them to the highway user tax distribution fund.

(e) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the deposit of revenues under paragraph (d), the commissioner shall deposit into the state treasury and credit to the highway user tax distribution fund an amount equal to the estimated revenues derived from the tax rate imposed under section 297A.62, subdivision 1, on the lease or rental for not more than 28 days of rental motor vehicles subject to section 297A.64. The commissioner shall estimate the amount of sales tax revenue deposited under this paragraph based on the amount of revenue deposited under paragraph (d).

~~(g) The commissioner shall deposit an amount of the remittances monthly into the state treasury and credit them to the highway user tax distribution fund as a portion of the estimated amount of taxes collected from the sale and purchase of motor vehicle repair and replacement parts in that month. The monthly deposit amount is \$12,137,000. For purposes of this paragraph, "motor vehicle" has the meaning given in section 297B.01, subdivision 11, and "motor vehicle repair and replacement parts" includes (i) all parts, tires, accessories, and equipment incorporated into or affixed to the motor vehicle as part of the motor vehicle maintenance and repair, and (ii) paint, oil, and other fluids that remain on or in the motor vehicle as part of the motor vehicle maintenance or repair. For purposes of this paragraph, "tire" means any tire of the type used on highway vehicles, if wholly or partially made of rubber and if marked according to federal regulations for highway use. The commissioner must deposit the revenues derived from the taxes imposed on the sale and purchase of motor vehicle repair and replacement parts in the state treasury and credit:~~

(1) 47.5 percent in each year to the highway user tax distribution fund;

(2) to the general fund as follows:

(i) in fiscal year 2024, 50 percent;

(ii) in fiscal year 2025, 48 percent;

(iii) in fiscal year 2026, 46 percent;

(iv) in fiscal year 2027, 44 percent;

(v) in fiscal year 2028, 35 percent;

(vi) in fiscal year 2029, 28 percent;

(vii) in fiscal year 2030, 21 percent;

(viii) in fiscal year 2031, 14 percent;

(ix) in fiscal year 2032, seven percent; and

(x) in fiscal year 2033 and thereafter, zero percent; and

(3) the remainder in each year as follows:

(i) 60 percent to the county state-aid highway fund;

(ii) 22 percent to the municipal state-aid street fund;

(iii) nine percent to the small cities assistance account under section 162.145; and

(iv) nine percent to the larger cities assistance account under section 162.146.

(h) 72.43 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 50 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants; and

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo.

(i) The revenue dedicated under paragraph (h) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (h) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (h) must be allocated for field operations.

(j) The commissioner must deposit the revenues, including interest and penalties minus any refunds, derived from the sale of items regulated under section 624.20, subdivision 1, that may be sold to persons 18 years old or older and that are not prohibited from use by the general public under section 624.21, in the state treasury and credit:

- (1) 25 percent to the volunteer fire assistance grant account established under section 88.068;
- (2) 25 percent to the fire safety account established under section 297I.06, subdivision 3; and
- (3) the remainder to the general fund.

For purposes of this paragraph, the percentage of total sales and use tax revenue derived from the sale of items regulated under section 624.20, subdivision 1, that are allowed to be sold to persons 18 years old or older and are not prohibited from use by the general public under section 624.21, is a set percentage of the total sales and use tax revenues collected in the state, with the percentage determined under Laws 2017, First Special Session chapter 1, article 3, section 39.

(k) The revenues deposited under paragraphs (a) to (j) do not include the revenues, including interest and penalties, generated by the sales tax imposed under section 297A.62, subdivision 1a, which must be deposited as provided under the Minnesota Constitution, article XI, section 15.

Sec. 9. Minnesota Statutes 2022, section 297A.99, subdivision 1, is amended to read:

Subdivision 1. **Authorization; scope.** (a) A political subdivision of this state may impose a general sales tax (1) under section 297A.992, (2) under section 297A.9925, (3) under section 297A.993, ~~(3)~~ (4) if permitted by special law, or ~~(4)~~ (5) if the political subdivision enacted and imposed the tax before January 1, 1982, and its predecessor provision.

(b) This section governs the imposition of a general sales tax by the political subdivision. The provisions of this section preempt the provisions of any special law:

- (1) enacted before June 2, 1997, or
- (2) enacted on or after June 2, 1997, that does not explicitly exempt the special law provision from this section's rules by reference.

(c) This section does not apply to or preempt a sales tax on motor vehicles. Beginning July 1, 2019, no political subdivision may impose a special excise tax on motor vehicles unless it is imposed under section 297A.993.

(d) A political subdivision may not advertise or expend funds for the promotion of a referendum to support imposing a local sales tax and may only spend funds related to imposing a local sales tax to:

(1) conduct the referendum;

(2) disseminate information included in the resolution adopted under subdivision 2, but only if the disseminated information includes a list of specific projects and the cost of each individual project;

(3) provide notice of, and conduct public forums at which proponents and opponents on the merits of the referendum are given equal time to express their opinions on the merits of the referendum;

(4) provide facts and data on the impact of the proposed local sales tax on consumer purchases; and

(5) provide facts and data related to the individual programs and projects to be funded with the local sales tax.

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

Sec. 10. **[297A.9925] METROPOLITAN REGION SALES AND USE TAX.**

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

(b) "Metropolitan area" has the meaning given in section 473.121, subdivision 2.

(c) "Metropolitan Council" or "council" means the Metropolitan Council established by section 473.123.

(d) "Metropolitan sales tax" means the metropolitan region sales and use tax imposed under this section.

Subd. 2. Sales tax imposition; rate. The Metropolitan Council must impose a metropolitan region sales and use tax at a rate of one-half of one percent on retail sales and uses taxable under this chapter made in the metropolitan area or to a destination in the metropolitan area.

Subd. 3. Administration; collection; enforcement. Except as otherwise provided in this section, the provisions of section 297A.99, subdivisions 4, and 6 to 12a, govern the administration, collection, and enforcement of the metropolitan sales tax.

Subd. 4. Deposit. Proceeds of the metropolitan sales tax must be deposited as follows:

(1) 83 percent in the metropolitan area transit account under section 16A.88; and

(2) 17 percent in the county state-aid highway fund.

Subd. 5. **Revenue bonds.** (a) In addition to other authority granted in this section, and notwithstanding section 473.39, subdivision 7, or any other law to the contrary, the council may, by resolution, authorize the sale and issuance of revenue bonds, notes, or obligations to provide funds to (1) implement the council's transit capital improvement program, and (2) refund bonds issued under this subdivision.

(b) The bonds are payable from and secured by a pledge of all or part of the revenue received under subdivision 4, clause (1), and associated investment earnings on debt proceeds. The council may, by resolution, authorize the issuance of the bonds as general obligations of the council. The bonds must be sold, issued, and secured in the manner provided in chapter 475, and the council has the same powers and duties as a municipality and its governing body in issuing bonds under chapter 475, except that no election is required and the net debt limitations in chapter 475 do not apply to such bonds. The proceeds of the bonds may also be used to fund necessary reserves and to pay credit enhancement fees, issuance costs, and other financing costs during the life of the debt.

(c) The bonds may be secured by a bond resolution, or a trust indenture entered into by the council with a corporate trustee within or outside the state, which must define the revenues and bond proceeds pledged for the payment and security of the bonds. The pledge must be a valid charge on the revenues received under section 297A.99, subdivision 11. Neither the state, nor any municipality or political subdivision except the council, nor any member or officer or employee of the council, is liable on the obligations. No mortgage or security interest in any tangible real or personal property is granted to the bondholders or the trustee, but they have a valid security interest in the revenues and bond proceeds received by the council and pledged to the payment of the bonds. In the bond resolution or trust indenture, the council may make such covenants as it determines to be reasonable for the protection of the bondholders.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment for sales and purchases made after October 1, 2023, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 11. Minnesota Statutes 2022, section 297B.02, subdivision 1, is amended to read:

Subdivision 1. **Rate.** (a) There is imposed an excise tax of ~~6.5~~ 6.875 percent on the purchase price of any motor vehicle purchased or acquired, either in or outside of the state of Minnesota, which is required to be registered under the laws of this state.

(b) The excise tax is also imposed on the purchase price of motor vehicles purchased or acquired on Indian reservations when the tribal council has entered into a sales tax on motor vehicles refund agreement with the state of Minnesota.

EFFECTIVE DATE. This section is effective for sales and purchases on or after July 1, 2023.

Sec. 12. Minnesota Statutes 2022, section 297B.09, is amended to read:

297B.09 ALLOCATION OF REVENUE.

Subdivision 1. **Deposit of revenues.** (a) Money collected and received under this chapter must be deposited as ~~provided in this subdivision.~~ as follows:

~~(b) (1) 60 percent of the money collected and received must be deposited in the highway user tax distribution fund, 36 percent must be deposited;~~

~~(2) 34.5 percent in the metropolitan area transit account under section 16A.88; and four percent must be deposited~~

~~(3) 5.5 percent in the greater Minnesota transit account under section 16A.88.~~

~~(e) (b) It is the intent of the legislature that the allocations under paragraph (b) remain unchanged for fiscal year 2012 2024 and all subsequent fiscal years.~~

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

Sec. 13. **[473.4465] METROPOLITAN REGION SALES AND USE TAX ALLOCATION.**

Subdivision 1. **Definition.** For purposes of this section, "sales tax revenue" means revenue from the metropolitan region sales and use tax under section 297A.9925 that is deposited in the metropolitan area transit account under section 16A.88.

Subd. 2. **Use of funds; Metropolitan Council.** (a) Sales tax revenue is available as follows:

(1) five percent for the metropolitan area active transportation program under section 473.248; and

(2) 95 percent for transit system purposes under sections 473.371 to 473.452, including but not limited to operations, maintenance, and capital projects.

(b) The council must annually expend a portion of sales tax revenue in each of the following categories:

(1) improvements to regular route bus service levels;

(2) improvements related to transit safety, including additional transit officials, as defined under section 473.4075;

(3) maintenance and improvements to bus accessibility at transit stops and transit centers;

(4) transit shelter replacement and improvements under section 473.41;

(5) planning and project development for expansion of arterial bus rapid transit lines;

(6) operations and capital maintenance of arterial bus rapid transit;

(7) planning and project development for expansion of highway bus rapid transit and bus guideway lines;

(8) operations and capital maintenance of highway bus rapid transit and bus guideways;

(9) zero-emission bus procurement and associated costs in conformance with the zero-emission and electric transit vehicle transition plan under section 473.3927;

(10) demand response microtransit service provided by the council;

(11) financial assistance to replacement service providers under section 473.388, to provide for service, vehicle purchases, and capital investments related to demand response microtransit service;

(12) financial assistance to political subdivisions and tax-exempt organizations under section 501(c)(3) of the Internal Revenue Code for the metropolitan area active transportation program established in section 473.248; and

(13) cost of living wage adjustments for Metro Transit hourly operations employees.

(c) The chair of the Metropolitan Council must annually transfer a portion of sales tax revenue to the commissioner of transportation for the cost of construction of nonarterial bus rapid transit facilities under section 174.48 and the cost of construction of light rail transit facilities under sections 473.3993 to 473.3997. The amount for transfer must be annually certified by the commissioner of transportation in consultation with the commissioner of management and budget.

Subd. 3. **Use of funds; Department of Transportation.** (a) Notwithstanding any other law to the contrary, the commissioner of transportation must allocate the funds deposited under section 297A.9925, subdivision 4, clause (2), to the metropolitan counties, as defined in section 473.121, subdivision 4, as follows:

(1) 50 percent apportioned among the counties so that each county receives of such amount the percentage that its population, as defined in section 477A.011, subdivision 3, bears to the total population of the counties receiving funds under this subdivision; and

(2) 50 percent apportioned among the counties so that each county receives of such amount the percentage that its money needs, as defined under section 162.07, subdivision 2, bears to the sum of the money needs of all of the individual counties receiving funds under this subdivision.

Subd. 4. **Tracking and information.** (a) The council must maintain separate financial information on sales tax revenue that includes:

(1) a summary of annual revenue and expenditures, including but not limited to balances and anticipated revenue in the forecast period under section 16A.103; and

(2) for each of the categories specified under subdivision 2 in the most recent prior three fiscal years:

(i) specification of annual expenditures; and

(ii) an overview of the projects or services.

(b) The council must publish the information required under paragraph (a) on the council's website.

EFFECTIVE DATE; APPLICATION. This section is effective October 1, 2023, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 14. **OPERATING AND CAPITAL ASSISTANCE; GREATER MINNESOTA TRANSIT.**

(a) Notwithstanding Minnesota Statutes, section 174.24, subdivision 3b, the commissioner of transportation must fund the operating costs of any eligible public transit system under Minnesota Statutes, section 174.24, subdivision 2, such that the percentage of total contracted operating costs paid by any recipient from local sources will not exceed five percent.

(b) Notwithstanding Minnesota Statutes, section 174.24, subdivision 3c, and Minnesota Rules, part 8835.0320, the commissioner of transportation must fund 90 percent of the capital costs approved by the commissioner under the public transit participation program under Minnesota Statutes, section 174.24. The recipient must provide the remaining ten percent of the approved capital costs from local sources.

EFFECTIVE DATE. This section is effective July 21, 2023, and expires June 30, 2025.

ARTICLE 4

DRIVER AND VEHICLE SERVICES, DRIVER'S LICENSE AGENTS, AND DEPUTY REGISTRARS (INDEPENDENT EXPERT REVIEW PROVISIONS)

Section 1. Minnesota Statutes 2022, section 168.002, is amended by adding a subdivision to read:

Subd. 12a. **Full-service provider.** "Full-service provider" means a person who is appointed by the commissioner as both a deputy registrar under this chapter and a driver's license agent under chapter 171 who provides all driver services, excluding International Registration Plan and International Fuel Tax Agreement transactions. The commissioner is not a full-service provider.

Sec. 2. Minnesota Statutes 2022, section 168.327, subdivision 1, is amended to read:

Subdivision 1. **Records and fees.** (a) Upon request by any person authorized in this section, the commissioner ~~shall~~ or full-service provider must furnish a certified copy of any driver's license record, instruction permit record, Minnesota identification card record, vehicle registration record, vehicle title record, or accident record.

(b) Except as provided in subdivisions 4, 5a, and 5b, and other than accident records governed under section 169.09, subdivision 13, the requester ~~shall~~ must pay a fee of \$10 for each certified record specified in paragraph (a) or a fee of \$9 for each record that is not certified.

(c) Except as provided in subdivisions 4, 5a, and 5b, in addition to the record fee in paragraph (b), the fee for a copy of the history of any vehicle title not in electronic format is \$1 for each page of the historical record.

(d) ~~Fees~~ Of the fee collected by the commissioner under paragraph (b) for driver's license, instruction permit, and Minnesota identification card records, must be paid into the state treasury

~~with 50 cents of each fee credited to~~ must be deposited in the general fund, ~~and the remainder of the fees collected must be credited to~~ must be deposited in the driver and vehicle services operating account in the special revenue fund under section 299A.705. Of the fee collected by a full-service provider under paragraph (b) for driver's license, instruction permit, and Minnesota identification card records, the provider must transmit 50 cents to the commissioner to be deposited in the general fund, and the provider must retain the remainder.

(e) ~~Fees~~ Of the fee collected by the commissioner under paragraphs (b) and (c) for vehicle registration or title records, must be paid into the state treasury with 50 cents of each fee credited to must be deposited in the general fund, ~~and the remainder of the fees collected must be credited to~~ must be deposited in the driver and vehicle services operating account in the special revenue fund specified in under section 299A.705. Of the fee collected by a full-service provider under paragraphs (b) and (c) for vehicle registration or title records, the provider must transmit 50 cents of each fee to the commissioner to be deposited in the general fund, and the provider must retain the remainder.

(f) Except as provided in subdivisions 4, 5a, and 5b, the commissioner ~~shall~~ must permit a person to inquire into a record by the person's own electronic means for a fee of \$4.50 for each inquiry, except that no fee may be charged when the requester is the subject of the data. Of the fee collected by the commissioner:

(1) \$2.70 must be deposited in the general fund;

(2) for driver's license, instruction permit, or Minnesota identification card records, the remainder must be deposited in the driver and vehicle services operating account ~~in the special revenue fund~~ under section 299A.705; and

(3) for vehicle title or registration records, the remainder must be deposited in the driver and vehicle services operating account ~~in the special revenue fund~~ under section 299A.705.

(g) Fees and the deposit of the fees for accident records and reports are governed by section 169.09, subdivision 13.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to record requests made on or after that date.

Sec. 3. Minnesota Statutes 2022, section 168.327, subdivision 2, is amended to read:

Subd. 2. **Requests for information; surcharge on fee.** (a) Except as otherwise provided in subdivision 3, the commissioner ~~shall~~ or full-service provider must impose a surcharge of 50 cents on each fee charged by the commissioner or full-service provider under section 13.03, subdivision 3, for copies or electronic transmittals of public information about the registration of a vehicle or an applicant, or holder of a driver's license, instruction permit, or Minnesota identification card.

(b) The surcharge only applies to a fee imposed in response to a request made in person ~~or~~, by mail, or to a request for transmittal through a computer modem online. The surcharge does not apply to the request of an individual for information about that individual's driver's license, instruction permit, or Minnesota identification card or about vehicles registered or titled in the individual's name. The surcharges collected by a full-service provider must be transmitted to the commissioner to be deposited in the general fund.

(c) The surcharges collected by the commissioner under this subdivision must be credited to the general fund. The surcharges collected by a full-service provider must be transmitted to the commissioner to be deposited in the general fund.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to record requests made on or after that date.

Sec. 4. Minnesota Statutes 2022, section 168.327, subdivision 3, is amended to read:

Subd. 3. **Exception to fee and surcharge.** (a) Notwithstanding subdivision 2 or section 13.03, a fee or surcharge may not be imposed in response to a request for public information about the registration of a vehicle if the commissioner or full-service provider is satisfied that:

(1) the requester seeks the information on behalf of a community-based, nonprofit organization designated by a local law enforcement agency to be a requester; and

(2) the information is needed to identify suspected prostitution law violators, controlled substance law violators, or health code violators.

(b) The commissioner ~~shall~~ or full-service provider must not require a requester under paragraph (a) to make a minimum number of data requests or limit the requester to a maximum number of data requests.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to record requests made on or after that date.

Sec. 5. Minnesota Statutes 2022, section 168.327, is amended by adding a subdivision to read:

Subd. 7. **Monitoring and auditing.** The commissioner must monitor and audit the furnishing of records by full-service providers under this section to ensure full-service providers are complying with this section, chapter 13, and United States Code, title 18, section 2721, et seq.

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

Sec. 6. Minnesota Statutes 2022, section 168.33, subdivision 7, is amended to read:

Subd. 7. **Filing fees and surcharge; allocations.** (a) In addition to all other statutory fees and taxes, ~~a filing fee of:~~

(1) a \$7 filing fee is imposed on every vehicle registration renewal, excluding pro rate transactions; ~~and~~

(2) a \$7.50 surcharge is imposed on the fee for every vehicle registration renewal, excluding pro rate transactions; and

(3) an \$11 filing fee is imposed on every other type of vehicle transaction, including motor carrier fuel licenses under sections 168D.05 and 168D.06, and pro rate transactions.

(b) Notwithstanding paragraph (a):

(1) a filing fee may not be charged for a document returned for a refund or for a correction of an error made by the Department of Public Safety, a dealer, or a deputy registrar; and

(2) no filing fee or other fee may be charged for the permanent surrender of a title for a vehicle.

(c) The filing fee and surcharge must be shown as a separate item on all registration renewal notices sent out by the commissioner.

(d) The statutory fees and taxes, and the filing fees and surcharge imposed under paragraph (a) may be paid by credit card or debit card. The deputy registrar may collect a surcharge on the statutory fees, taxes, statutory surcharge, and filing fee not greater than the cost of processing a credit card or debit card transaction, in accordance with emergency rules established by the commissioner of public safety. The surcharge authorized by this paragraph must be used to pay the cost of processing credit and debit card transactions.

(e) The fees collected under ~~this subdivision~~ paragraph (a) by the department must be allocated as follows:

(1) of the fees collected under paragraph (a), clause (1):

(i) \$5.50 must be deposited in the driver and vehicle services operating account under section 299A.705, subdivision 1; and

(ii) \$1.50 must be deposited in the driver and vehicle services technology account under section 299A.705, subdivision 3; and

(2) of the fees collected under paragraph (a), clause ~~(2)~~ (3):

(i) \$3.50 must be deposited in the general fund;

(ii) ~~\$6.00~~ \$6 must be deposited in the driver and vehicle services operating account under section 299A.705, subdivision 1; and

(iii) \$1.50 must be deposited in the driver and vehicle services technology account under section 299A.705, subdivision 3.

(f) The surcharge collected under paragraph (a), clause (2), must be allocated as follows:

(1) one-third of the revenue must be deposited in the small cities assistance account under section 162.145;

(2) one-third of the revenue must be deposited in the larger cities assistance account under section 162.146; and

(3) one-third of the revenue must be deposited in the town road account under section 162.081.

(g) Notwithstanding apportionment and distribution requirements under section 162.081, in fiscal year 2024, \$7,000,000 of the revenue deposited in the town road account under paragraph (f), clause (3), must be allocated to a township with a population greater than 10,000 according to the last two federal decennial censuses.

(h) In addition to all other statutory fees and taxes, a \$1 surcharge is imposed on every online transaction for which filing fees are collected under this subdivision. The proceeds from the surcharge must be deposited in the full-service provider account under section 299A.705, subdivision 5.

(i) In addition to all other statutory fees and taxes, a deputy registrar must assess a \$0.50 surcharge on every transaction for which filing fees are collected under this subdivision. The surcharge must be (1) deposited in the treasury of the place for which the deputy registrar is appointed, or (2) if the deputy registrar is not a public official, retained by the deputy registrar. For purposes of this paragraph, "deputy registrar" includes a deputy registrar who is a full-service provider.

EFFECTIVE DATE. This section is effective July 1, 2023, except that paragraphs (h) and (i) are effective July 1, 2025.

Sec. 7. Minnesota Statutes 2022, section 168.345, subdivision 2, is amended to read:

Subd. 2. **Lessees; information.** The commissioner may not furnish information about registered owners of passenger automobiles who are lessees under a lease for a term of 180 days or more to any person except the owner of the vehicle, the lessee, personnel of law enforcement agencies and trade associations performing a member service under section 604.15, subdivision 4a, and federal, state, and local governmental units, and, at the commissioner's discretion, to persons who use the information to notify lessees of automobile recalls. The commissioner may release information about lessees in the form of summary data, as defined in section 13.02, to persons who use the information in conducting statistical analysis and market research.

Sec. 8. Minnesota Statutes 2022, section 169.09, subdivision 13, is amended to read:

Subd. 13. **Reports confidential; evidence, fee, penalty, appropriation.** (a) All reports and supplemental information required under this section must be for the use of the commissioner of public safety and other appropriate state, federal, county, and municipal governmental agencies for accident analysis purposes, except:

(1) upon written request, the commissioner of public safety, a full-service provider as defined in section 171.01, subdivision 33a, or any law enforcement agency shall must disclose the report required under subdivision 8 to:

(i) any individual involved in the accident, the representative of the individual's estate, or the surviving spouse, or one or more surviving next of kin, or a trustee appointed under section 573.02;

(ii) any other person injured in person, property, or means of support, or who incurs other pecuniary loss by virtue of the accident;

(iii) legal counsel of a person described in item (i) or (ii);

(iv) a representative of the insurer of any person described in item (i) or (ii); or

(v) a city or county attorney or an attorney representing the state in an implied consent action who is charged with the prosecution of a traffic or criminal offense that is the result of a traffic crash investigation conducted by law enforcement;

~~(2) the commissioner of public safety shall, upon written request, provide the driver filing a report under subdivision 7 with a copy of the report filed by the driver;~~

~~(3)~~ (2) the commissioner of public safety may verify with insurance companies vehicle insurance information to enforce sections 65B.48, 169.792, 169.793, 169.796, and 169.797;

~~(4)~~ (3) the commissioner of public safety ~~shall~~ must provide the commissioner of transportation the information obtained for each traffic accident involving a commercial motor vehicle, for purposes of administering commercial vehicle safety regulations;

~~(5)~~ (4) upon specific request, the commissioner of public safety ~~shall~~ must provide the commissioner of transportation the information obtained regarding each traffic accident involving damage to identified state-owned infrastructure, for purposes of debt collection under section 161.20, subdivision 4; and

~~(6)~~ (5) the commissioner of public safety may give to the United States Department of Transportation commercial vehicle accident information in connection with federal grant programs relating to safety.

(b) Accident reports and data contained in the reports are not discoverable under any provision of law or rule of court. ~~No report shall~~ A report must not be used as evidence in any trial, civil or criminal, or any action for damages or criminal proceedings arising out of an accident. However, the commissioner of public safety ~~shall~~ must furnish, upon the demand of any person who has or claims to have made a report or upon demand of any court, a certificate showing that a specified accident report has or has not been made to the commissioner solely to prove compliance or failure to comply with the requirements that the report be made to the commissioner.

(c) Nothing in this subdivision prevents any individual who has made a report under this section from providing information to any individuals involved in an accident or their representatives or from testifying in any trial, civil or criminal, arising out of an accident, as to facts within the individual's knowledge. It is intended by this subdivision to render privileged the reports required, but it is not intended to prohibit proof of the facts to which the reports relate.

(d) Disclosing any information contained in any accident report, except as provided in this subdivision, section 13.82, subdivision 3 or 6, or other statutes, is a misdemeanor.

(e) The commissioner of public safety ~~shall~~ or full-service provider as defined in section 171.01, subdivision 33a, must charge authorized persons as described in paragraph (a) a \$5 fee for a copy of an accident report. Ninety percent of the \$5 fee collected by the commissioner under this paragraph must be deposited in the ~~special revenue fund and credited to the driver and vehicle services~~ operating account established in section 299A.705 and ten percent must be deposited in the general fund. Of the \$5 fee collected by a full-service provider, the provider must transmit 50 cents to the commissioner to be deposited into the general fund, and the provider must retain the remainder. The commissioner may also furnish an electronic copy of the database of accident records, which must not contain personal or private data on an individual, to private agencies as provided in paragraph (g), for not less than the cost of preparing the copies on a bulk basis as provided in section 13.03, subdivision 3.

(f) The fees specified in paragraph (e) notwithstanding, the commissioner and law enforcement agencies ~~shall~~ must charge commercial users who request access to response or incident data relating to accidents a fee not to exceed 50 cents per record. "Commercial user" is a user who in one location requests access to data in more than five accident reports per month, unless the user establishes that access is not for a commercial purpose. Of the money collected by the commissioner under this paragraph, 90 percent must be deposited in ~~the special revenue fund and credited to the driver and vehicle services operating account established in~~ under section 299A.705 and ten percent must be deposited in the general fund.

(g) The fees in paragraphs (e) and (f) notwithstanding, the commissioner ~~shall~~ must provide an electronic copy of the accident records database to the public on a case-by-case basis using the cost-recovery charges provided for under section 13.03, subdivision 3. The database provided must not contain personal or private data on an individual. However, unless the accident records database includes the vehicle identification number, the commissioner ~~shall~~ must include the vehicle registration plate number if a private agency certifies and agrees that the agency:

(1) is in the business of collecting accident and damage information on vehicles;

(2) will use the vehicle registration plate number only for identifying vehicles that have been involved in accidents or damaged, to provide this information to persons seeking access to a vehicle's history and not for identifying individuals or for any other purpose; and

(3) will be subject to the penalties and remedies under sections 13.08 and 13.09.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to record requests made on or after that date.

Sec. 9. Minnesota Statutes 2022, section 169.09, is amended by adding a subdivision to read:

Subd. 20. Monitoring and auditing. The commissioner must monitor and audit the furnishing of records by full-service providers under this section to ensure full-service providers are complying with this section, chapter 13, and United States Code, title 18, section 2721, et seq.

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

Sec. 10. Minnesota Statutes 2022, section 171.01, is amended by adding a subdivision to read:

Subd. 33a. Full-service provider. "Full-service provider" has the meaning given in section 168.002, subdivision 12a.

Sec. 11. Minnesota Statutes 2022, section 171.06, is amended by adding a subdivision to read:

Subd. 12. Preapplication. (a) The commissioner must establish a process for an applicant to submit an electronic preapplication for a driver's license or identification card. The commissioner must design the preapplication so that the applicant must enter information required for the application. The preapplication process must generate a list of documents the applicant is required to submit in person at the time of the application. At the time an individual schedules an appointment to apply for a driver's license or identification card, the commissioner, full-service provider, or

driver's license agent who is scheduling the appointment must provide to the applicant a link to the preapplication website.

(b) An applicant who submitted a preapplication is required to appear in person before the commissioner, a full-service provider, or a driver's license agent to submit a completed application for the driver's license or identification card.

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

Sec. 12. Minnesota Statutes 2022, section 171.061, subdivision 4, is amended to read:

Subd. 4. **Fee; equipment.** (a) The agent may charge and retain a filing fee ~~of \$8~~ for each application: as follows:

- | | | |
|---|----|--------------|
| (1) <u>New application for a noncompliant, REAL ID-compliant, or enhanced driver's license or identification card</u> | \$ | <u>16.00</u> |
| (2) <u>Renewal application for a noncompliant, REAL ID-compliant, or enhanced driver's license or identification card</u> | \$ | <u>11.00</u> |

Except as provided in paragraph (c), the fee ~~shall~~ must cover all expenses involved in receiving, accepting, or forwarding to the department the applications and fees required under sections 171.02, subdivision 3; 171.06, subdivisions 2 and 2a; and 171.07, subdivisions 3 and 3a.

(b) The statutory fees and the filing fees imposed under paragraph (a) may be paid by credit card or debit card. The driver's license agent may collect a convenience fee on the statutory fees and filing fees not greater than the cost of processing a credit card or debit card transaction. The convenience fee must be used to pay the cost of processing credit card and debit card transactions. The commissioner ~~shall~~ must adopt rules to administer this paragraph using the exempt procedures of section 14.386, except that section 14.386, paragraph (b), does not apply.

~~(c) The department shall maintain the photo identification and vision examination equipment for all agents appointed as of January 1, 2000. Upon the retirement, resignation, death, or discontinuance of an existing agent, and if a new agent is appointed in an existing office pursuant to Minnesota Rules, chapter 7404, and notwithstanding the above or Minnesota Rules, part 7404.0400, the department shall provide and maintain photo identification equipment without additional cost to a newly appointed agent in that office if the office was provided the equipment by the department before January 1, 2000. All photo identification and vision examination equipment must be compatible with standards established by the department.~~

(d) A filing fee retained by the agent employed by a county board must be paid into the county treasury and credited to the general revenue fund of the county. An agent who is not an employee of the county ~~shall~~ must retain the filing fee in lieu of county employment or salary and is considered an independent contractor for pension purposes, coverage under the Minnesota State Retirement System, or membership in the Public Employees Retirement Association.

(e) Before the end of the first working day following the final day of the reporting period established by the department, the agent must forward to the department all applications and fees collected during the reporting period except as provided in paragraph (d).

EFFECTIVE DATE. This section is effective October 1, 2023, and applies to applications made on or after that date.

Sec. 13. Minnesota Statutes 2022, section 171.0705, is amended by adding a subdivision to read:

Subd. 11. Manual and study material availability. The commissioner must publish the driver's manual and study support materials for the written exam and skills exam. The study support materials must focus on the subjects and skills that are most commonly failed by exam takers. The commissioner must ensure that the driver's manual and study support materials are easily located and are available for no cost.

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

Sec. 14. Minnesota Statutes 2022, section 171.12, subdivision 1a, is amended to read:

Subd. 1a. Driver and vehicle services information system; security and auditing. (a) The commissioner must establish written procedures to ensure that only individuals authorized by law may enter, update, or access not public data collected, created, or maintained by the driver and vehicle services information system. An authorized individual's ability to enter, update, or access data in the system must correspond to the official duties or training level of the individual and to the statutory authorization granting access for that purpose. All queries and responses, and all actions in which data are entered, updated, accessed, shared, or disseminated, must be recorded in a data audit trail. Data contained in the audit trail are public to the extent the data are not otherwise classified by law.

(b) ~~If the commissioner must immediately and permanently revoke the authorization of any determines that an individual who willfully entered, updated, accessed, shared, or disseminated data in violation of state or federal law, the commissioner must impose disciplinary action.~~ If an individual willfully gained access to data without authorization by law, the commissioner must forward the matter to the appropriate prosecuting authority for prosecution. The commissioner must not impose disciplinary action against an individual who properly accessed data to complete an authorized transaction or to resolve an issue that did not result in a completed authorized transaction.

(c) The commissioner must establish a process that allows an individual who was subject to disciplinary action to appeal the action. If the commissioner imposes disciplinary action, the commissioner must notify the individual in writing of the action, explain the reason for the action, and explain how to appeal the action. The commissioner must transmit the notification within five calendar days of the action.

(d) The commissioner must arrange for an independent biennial audit of the driver and vehicle services information system to determine whether data currently in the system are classified correctly, how the data are used, and to verify compliance with this subdivision. The results of the audit are public. No later than 30 days following completion of the audit, the commissioner must provide a report summarizing the audit results to the commissioner of administration; the chairs and ranking minority members of the committees of the house of representatives and the senate with jurisdiction over transportation policy and finance, public safety, and data practices; and the Legislative Commission on Data Practices and Personal Data Privacy. The report must be submitted as required under section 3.195, except that printed copies are not required.

(e) For purposes of this subdivision, "disciplinary action" means a formal or informal disciplinary measure, including but not limited to requiring corrective action or suspending or revoking the individual's access to the driver and vehicle information system.

(f) An individual whose access was permanently revoked under this section between October 1, 2018, and September 30, 2023, based on the commissioner's determination that the individual willfully entered, updated, accessed, shared, or disseminated data in violation of state or federal law, may apply to the commissioner for reinstatement of their access. An individual convicted of a crime related to the conduct that resulted in permanent revocation of their access is ineligible to reapply for access under this section. Any individual reapplying for access must submit the request in writing to the commissioner no later than June 30, 2024, and the request must contain:

(1) written documentation that demonstrates the individual is currently employed at an agency or entity that requires access for the employee to conduct their work duties;

(2) written documentation that demonstrates the individual is in compliance with all existing requirements to be considered eligible for access, including completion of required background checks;

(3) a signed statement from their employer acknowledging the employer is aware that the individual's access was previously revoked and any future violations of state or federal law may again result in permanent revocation of access; and

(4) a signed statement from the individual describing:

(i) their understanding of appropriate use of the system data under state and federal laws; and

(ii) the remedial steps they have taken to ensure no future misuse occurs.

The commissioner must respond in writing to the individual's request for access within 90 days of receipt of the request. The commissioner's decision under this section is final and an individual applying under this section is not entitled to further review.

EFFECTIVE DATE. This section is effective October 1, 2023. Paragraphs (b), (c), and (e) apply to audits of data use that are open on or after October 1, 2023. Paragraph (f) is effective October 1, 2023, and applies to requests made on or after that date.

Sec. 15. Minnesota Statutes 2022, section 171.13, subdivision 1, is amended to read:

Subdivision 1. **Examination subjects and locations; provisions for color blindness, disabled veterans.** (a) Except as otherwise provided in this section, the commissioner ~~shall~~ must examine each applicant for a driver's license by such agency as the commissioner directs. This examination must include:

(1) a test of the applicant's eyesight, provided that this requirement is met by submission of a vision examination certificate under section 171.06, subdivision 7;

(2) a test of the applicant's ability to read and understand highway signs regulating, warning, and directing traffic;

(3) a test of the applicant's knowledge of (i) traffic laws; (ii) the effects of alcohol and drugs on a driver's ability to operate a motor vehicle safely and legally, and of the legal penalties and financial consequences resulting from violations of laws prohibiting the operation of a motor vehicle while under the influence of alcohol or drugs; (iii) railroad grade crossing safety; (iv) slow-moving vehicle safety; (v) laws relating to pupil transportation safety, including the significance of school bus lights, signals, stop arm, and passing a school bus; (vi) traffic laws related to bicycles; and (vii) the circumstances and dangers of carbon monoxide poisoning;

(4) an actual demonstration of ability to exercise ordinary and reasonable control in the operation of a motor vehicle; and

(5) other physical and mental examinations as the commissioner finds necessary to determine the applicant's fitness to operate a motor vehicle safely upon the highways.

(b) Notwithstanding paragraph (a), the commissioner must not deny an application for a driver's license based on the exclusive grounds that the applicant's eyesight is deficient in color perception or that the applicant has been diagnosed with diabetes mellitus. War veterans operating motor vehicles especially equipped for disabled persons, if otherwise entitled to a license, must be granted such license.

~~(c) The commissioner shall make provision for giving the examinations under this subdivision either in the county where the applicant resides or at a place adjacent thereto reasonably convenient to the applicant.~~

~~(d) The commissioner shall ensure that an applicant is able to obtain an appointment for an examination to demonstrate ability under paragraph (a), clause (4), within 14 days of the applicant's request if, under the applicable statutes and rules of the commissioner, the applicant is eligible to take the examination.~~

(c) The commissioner must ensure that no fewer than the following number of exam station locations are available:

- (1) after July 1, 2023, and before July 1, 2024, 93 exam stations;
- (2) after July 1, 2024, and before July 1, 2025, 83 exam stations;
- (3) after July 1, 2025, and before July 1, 2026, 73 exam stations; and
- (4) after July 1, 2026, and thereafter, 60 exam stations.

The commissioner must ensure that an applicant may take an exam either in the county where the applicant resides or in an adjacent county at a reasonably convenient location. The schedule for each exam station must be posted on the department's website.

(d) A located exam station must be open a minimum of one day per week.

(e) The commissioner must provide real-time information on the department's website about the availability and location of exam appointments. The website must show the next available exam dates and times for each exam station. The website must also provide an option for a person to enter an address to see the date and time of the next available exam at each exam station sorted by distance

from the address provided. The information must be easily accessible and must not require a person to sign in or provide any other information, except an address, in order to see available exam dates.

EFFECTIVE DATE. This section is effective July 1, 2023. Paragraph (d) is effective July 1, 2026. Paragraph (e) is effective January 1, 2024.

Sec. 16. Minnesota Statutes 2022, section 171.13, subdivision 1a, is amended to read:

Subd. 1a. **Waiver when license issued by another jurisdiction.** (a) If the commissioner determines that an applicant 21 years of age or older possesses a valid driver's license issued by another state, United States territory, or jurisdiction that requires a comparable examination for obtaining a driver's license, the commissioner ~~may~~ must waive the ~~requirement~~ requirements that the applicant pass a written knowledge examination and demonstrate ability to exercise ordinary and reasonable control in the operation of a motor vehicle ~~on determining that the applicant possesses a valid driver's license issued by a jurisdiction that requires a comparable demonstration for license issuance.~~

(b) If the commissioner determines that an applicant 21 years of age or older possesses a valid driver's license with a two-wheeled vehicle endorsement issued by another state, United States territory, or jurisdiction that requires a comparable examination for obtaining the endorsement, the commissioner must waive the requirements that the applicant for a two-wheeled vehicle endorsement pass a written knowledge examination and demonstrate the ability to exercise ordinary and reasonable control in the operation of a motor vehicle.

(c) For purposes of this subdivision, "jurisdiction" includes, but is not limited to, both the active and reserve components of any branch or unit of the United States armed forces, and "valid driver's license" includes any driver's license that is recognized by that branch or unit as currently being valid, or as having been valid at the time of the applicant's separation or discharge from the military within a period of time deemed reasonable and fair by the commissioner, up to and including one year past the date of the applicant's separation or discharge.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to applications made on or after that date.

Sec. 17. **[171.375] STUDENT PASS RATE.**

(a) For each driver training school, the commissioner must determine the percentage of students from that school who pass the written exam or road test on the student's first attempt, second attempt, or third or subsequent attempt. The commissioner must publicly post the information collected under this section on the department's website. At a minimum, the commissioner must update this information on the department's website at least every six months. The information must be searchable by the name of a school or a location.

(b) By January 1 and July 1 of each year, each driver training school must provide to the commissioner a list of all students who completed coursework at the school during the previous six months.

EFFECTIVE DATE. Paragraph (a) is effective January 1, 2024. Paragraph (b) is effective July 1, 2024, and applies to lists submitted on or after that date.

Sec. 18. 299A.704 DRIVER AND VEHICLE SERVICES FUND.

A driver and vehicle services fund is created in the state treasury. The fund consists of accounts and money as specified by law and any other money otherwise donated, allotted, or transferred to the fund.

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

Sec. 19. Minnesota Statutes 2022, section 299A.705, subdivision 1, is amended to read:

Subdivision 1. **Driver and vehicle services operating account.** ~~(a)~~ The driver and vehicle services operating account is created in the ~~special revenue~~ driver and vehicle services fund, consisting of all money from the vehicle services fees specified in chapters 168, 168A, and 168D, all money collected under chapter 171, and any other money donated, allotted, transferred, or otherwise provided to the account.

~~(b)~~ Funds appropriated from the account must be used by the commissioner of public safety to administer:

(1) the vehicle services specified in chapters 168, 168A, and 168D, and section 169.345, including:

~~(1)~~ (i) designing, producing, issuing, and mailing vehicle registrations, plates, emblems, and titles;

~~(2)~~ (ii) collecting title and registration taxes and fees;

~~(3)~~ (iii) transferring vehicle registration plates and titles;

~~(4)~~ (iv) maintaining vehicle records;

~~(5)~~ (v) issuing disability certificates and plates;

~~(6)~~ (vi) licensing vehicle dealers;

~~(7)~~ (vii) appointing, monitoring, and auditing deputy registrars; and

~~(8)~~ (viii) inspecting vehicles when required by law; and

(2) the driver services specified in chapters 169A and 171, including the activities associated with producing and mailing drivers' licenses and identification cards and notices relating to issuance, renewal, or withdrawal of driving and identification card privileges for any fiscal year or years and for the testing and examination of drivers.

Sec. 20. Minnesota Statutes 2022, section 299A.705, subdivision 3, is amended to read:

Subd. 3. **Driver and vehicle services technology account.** (a) The driver and vehicle services technology account is created in the ~~special revenue~~ driver and vehicle services fund, consisting of the technology surcharge collected as specified in chapters 168, 168A, and 171; the filing fee revenue

collected under section 168.33, subdivision 7; and any other money donated, allotted, transferred, or otherwise provided to the account.

(b) Money in the account is annually appropriated to the commissioner of public safety for the development, deployment, and maintenance of the driver and vehicle services information systems.

(c) By January 15 of each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance concerning the account, which must include information on (1) total revenue deposited in the driver and vehicle services technology account, with a breakdown by sources of funds; and (2) an estimate of ongoing system maintenance costs, including a breakdown of the amounts spent by category.

Sec. 21. Minnesota Statutes 2022, section 299A.705, is amended by adding a subdivision to read:

Subd. 5. **Full-service provider account.** (a) The full-service provider account is created in the driver and vehicle services fund, consisting of surcharges described in section 168.33, subdivision 7, and any other money donated, allotted, transferred, or otherwise provided to the account.

(b) Money in the account is annually appropriated to the commissioner of public safety to distribute to full-service providers, as defined in section 168.002, subdivision 12a, and deputy registrars. The commissioner must distribute the money in the account as quarterly payments to each full-service provider and deputy registrar that was in operation during the previous quarter based proportionally on the total number of transactions completed by each full-service provider and deputy registrar. For the purposes of the distribution calculation in this paragraph, the number of transactions completed by a deputy registrar must first be multiplied by 0.2.

EFFECTIVE DATE. This section is effective July 1, 2023, and the first quarterly distribution must be made on or before October 15, 2023.

Sec. 22. **REPORT; DEPUTY REGISTRAR AND DRIVER'S LICENSE AGENT FINANCIAL SUSTAINABILITY.**

By July 1, 2024, the commissioner of public safety must report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy an evaluation of deputy registrar and driver's license agent operations in the vehicle registration and driver's licensing system. The commissioner must engage with stakeholders in preparing and developing the report. The report, at a minimum, must:

(1) evaluate the current performance and impact of the quality of services provided by private deputy registrars and driver's license agents to the residents of Minnesota;

(2) evaluate and make recommendations on how to implement financial sustainability for private deputy registrars;

(3) detail the amount of financial assistance necessary to sustain a permanent role for private deputy registrars and driver's license agents;

- (4) explain each proposed model of financial assistance or support for deputy registrars;
- (5) detail a five-, ten-, and 20-year analysis on the role of deputy registrars and driver's license agents in the vehicle registration and driver's licensing system;
- (6) evaluate and make recommendations on the long-term and market-rate financial assistance necessary to transition away from private deputy registrars and driver's license agents;
- (7) explain and make recommendations on proposed legislation on the Division of Driver and Vehicle Services assuming all of the services provided by private deputy registrars and driver's license agents;
- (8) identify and evaluate whether the Division of Driver and Vehicle Services has sufficient financial resources to assume all the services provided by private deputy registrars and driver's license agents; and
- (9) propose legislation and make recommendations on fees and appropriations needed for the Division of Driver and Vehicle Services to assume all services provided by deputy registrars and driver's license agents.

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

Sec. 23. **REPORT; DRIVER AND VEHICLE SERVICES RECOMMENDATIONS.**

(a) By January 15, 2024, the commissioner of public safety must report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy on driver and vehicle services recommendations and operations. The report must:

(1) review recommendations from the independent expert review of driver and vehicle services issued January 12, 2022, as identified under paragraph (b);

(2) review the recommendations made to the commissioner in the legislative auditor's report on driver examination stations issued in March 2021;

(3) provide the commissioner's plan for exam station locations, including how many exam stations will remain open and the locations of the exam stations;

(4) identify whether any limited driver's license agents are unable to become full-service providers because of the restrictions in Minnesota Statutes, section 171.061, and Minnesota Rules, chapter 7404, and, if so, whether the commissioner would recommend any exceptions to allow the limited driver's license agent to participate in the fee-sharing provisions of this act; and

(5) propose any statutory changes necessary or beneficial in implementing recommendations under clauses (1) and (2).

(b) The report must include information on the independent expert review recommendations to:

(1) revise the deputy registrar and driver's license agent contracts to encourage all deputy registrars and driver's license agents to become or remain full-service providers as defined in Minnesota Statutes, section 168.002, subdivision 12a;

(2) determine how best to utilize certified and impartial third parties for administration of knowledge and road tests;

(3) implement data and reporting practices to assist the commissioner in making decisions focused on the residents of the state;

(4) conduct a staffing review that balances staff quantity and quality, leverages technology automations and configurations, and establishes performance standards and targets that meet the needs of the state;

(5) identify performance and service standards and create a deputy registrar performance scorecard and a driver's license agent performance scorecard that monitors user performance to ensure a consistently positive experience for Minnesotans;

(6) provide a rapid response communication method for situations where deputy registrars or driver's license agents need immediate support;

(7) explore ways to speed up background checks of new employees at the Division of Driver and Vehicle Services offices and deputy registrar offices, including using a police department or county sheriff;

(8) promote the preapplication process and expand the use of preapplications to all possible, relevant areas;

(9) evaluate and make recommendations to the legislature on areas where it is appropriate to make preapplications mandatory;

(10) adjust policies and practices to automate as many approval transactions as possible;

(11) determine the proper user level field needed by transaction type and explore additional differentiated user levels in MNDRIVE;

(12) allow deputy registrars to have increased visibility to and influence on the MNDRIVE enhancement process;

(13) engage a learning consultant and create a content strategy and communications campaign to meet the needs of Minnesota residents, including a feedback loop for continuous improvement and evolution;

(14) provide additional training and clear guidance regarding permissible use of records and enable in-application notation of usage other than for paid transactions;

(15) consider what security measures are appropriate at each deputy registrar or driver's license agent location, including the possible need for a security officer or for cameras with recording capabilities;

(16) offer training in de-escalation and negotiation techniques to all public-facing staff;

(17) examine the potential of allowing online applications for replacement class D drivers' licenses;

(18) conduct an analysis to determine whether extending the validity of a class D driver's license would benefit the residents of the state and make recommendations to the legislature on a renewal fee structure for renewal periods longer than four years but not more than nine years;

(19) explore options to encourage people to conduct transactions online or in person instead of by mail; and

(20) study the feasibility of splitting revenue from mail or online vehicle transactions between the commissioner and deputy registrars and full-service providers.

(c) For each of the recommendations under paragraph (a), clauses (1) and (2), and paragraph (b), the report must specify the status from one of the following categories:

(1) the recommendation is under ongoing active consideration or review, including to:

(i) describe the current state of the analysis; and

(ii) provide the anticipated timeline to conclude the review;

(2) the recommendation is in the process of being implemented, including to:

(i) describe how the recommendation is being implemented;

(ii) provide the anticipated timeline for implementation; and

(iii) provide an estimated cost of implementing the recommendation;

(3) the recommendation has been implemented, including to:

(i) describe when and how the recommendation was implemented;

(ii) describe the outcome of implementing the recommendation; and

(iii) provide an estimated cost of implementing the recommendation; or

(4) the recommendation will not be implemented, including to:

(i) provide a detailed explanation of why the recommendation will not be implemented;

(ii) provide an estimated cost to implement the recommendation;

(iii) provide an estimated timeline to implement the recommendation; and

(iv) describe any unmet needs that, if met, would allow the commissioner to implement the recommendation.

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

ARTICLE 5**DRIVER AND VEHICLE SERVICES CONFORMING CHANGES**

Section 1. Minnesota Statutes 2022, section 168.013, subdivision 8, is amended to read:

Subd. 8. **Tax proceeds to highway user fund; fee proceeds to vehicle services account.** (a) Unless otherwise specified in this chapter, the net proceeds of the registration tax imposed under this chapter must be collected by the commissioner, paid into the state treasury, and credited to the highway user tax distribution fund.

(b) All fees collected under this chapter, unless otherwise specified, must be deposited in the driver and vehicle services operating account ~~in the special revenue fund~~ under section 299A.705.

Sec. 2. Minnesota Statutes 2022, section 168.1293, subdivision 7, is amended to read:

Subd. 7. **Deposit of fee; appropriation.** The commissioner shall deposit the application fee under subdivision 2, paragraph (a), clause (3), in the driver and vehicle services operating account ~~of the special revenue fund~~ under section 299A.705. An amount sufficient to pay the department's cost in implementing and administering this section, including payment of refunds under subdivision 4, is appropriated to the commissioner from that account.

Sec. 3. Minnesota Statutes 2022, section 168.1295, subdivision 5, is amended to read:

Subd. 5. **Contribution and fees credited.** Contributions under subdivision 1, paragraph (a), clause (5), must be paid to the commissioner and credited to the state parks and trails donation account established in section 85.056. The other fees collected under this section must be deposited in the driver and vehicle services operating account ~~of the special revenue fund~~ under section 299A.705.

Sec. 4. Minnesota Statutes 2022, section 168.1296, subdivision 5, is amended to read:

Subd. 5. **Contribution and fees credited.** Contributions under subdivision 1, paragraph (a), clause (5), must be paid to the commissioner and credited to the Minnesota critical habitat private sector matching account established in section 84.943. The fees collected under this section must be deposited in the driver and vehicle services operating account ~~of the special revenue fund~~ under section 299A.705.

Sec. 5. Minnesota Statutes 2022, section 168.1298, subdivision 5, is amended to read:

Subd. 5. **Contribution and fees credited.** Contributions under subdivision 1, paragraph (a), clause (5), must be paid to the commissioner and credited to the Minnesota "Support Our Troops" account established in section 190.19. The fees collected under this section must be deposited in the driver and vehicle services operating account ~~in the special revenue fund~~ under section 299A.705.

Sec. 6. Minnesota Statutes 2022, section 168.27, subdivision 11, is amended to read:

Subd. 11. **Dealers' licenses; location change notice; fee.** (a) Application for a dealer's license or notification of a change of location of the place of business on a dealer's license must include a street address, not a post office box, and is subject to the commissioner's approval.

(b) Upon the filing of an application for a dealer's license and the proper fee, unless the application on its face appears to be invalid, the commissioner shall grant a 90-day temporary license. During the 90-day period following issuance of the temporary license, the commissioner shall inspect the place of business site and insure compliance with this section and rules adopted under this section.

(c) The commissioner may extend the temporary license 30 days to allow the temporarily licensed dealer to come into full compliance with this section and rules adopted under this section.

(d) In no more than 120 days following issuance of the temporary license, the dealer license must either be granted or denied.

(e) A license must be denied under the following conditions:

(1) The license must be denied if within the previous ten years the applicant was enjoined due to a violation of section 325F.69 or convicted of violating section 325E.14, 325E.15, 325E.16, or 325F.69, or convicted under section 609.53 of receiving or selling stolen vehicles, or convicted of violating United States Code, title 49, sections 32701 to 32711 or pleaded guilty, entered a plea of nolo contendere or no contest, or has been found guilty in a court of competent jurisdiction of any charge of failure to pay state or federal income or sales taxes or felony charge of forgery, embezzlement, obtaining money under false pretenses, theft by swindle, extortion, conspiracy to defraud, or bribery.

(2) A license must be denied if the applicant has had a dealer license revoked within the previous ten years.

(f) If the application is approved, the commissioner shall license the applicant as a dealer for one year from the date the temporary license is granted and issue a certificate of license that must include a distinguishing number of identification of the dealer. The license must be displayed in a prominent place in the dealer's licensed place of business.

(g) Each initial application for a license must be accompanied by a fee of \$100 in addition to the annual fee. The annual fee is \$150. The initial fees and annual fees must be paid into the state treasury and credited to the general fund except that \$50 of each initial and annual fee must be paid into the driver and vehicle services operating account ~~in the special revenue fund~~ under section 299A.705.

Sec. 7. Minnesota Statutes 2022, section 168.326, is amended to read:

168.326 EXPEDITED DRIVER AND VEHICLE SERVICES; FEE.

(a) When an applicant requests and pays an expedited service fee of \$20, in addition to other specified and statutorily mandated fees and taxes, the commissioner shall expedite the processing of an application for a driver's license, driving instruction permit, Minnesota identification card, or vehicle title transaction.

(b) A driver's license agent or deputy registrar may retain \$10 of the expedited service fee for each expedited service request processed by the licensing agent or deputy registrar.

(c) When expedited service is requested, materials must be mailed or delivered to the requester within three days of receipt of the expedited service fee excluding Saturdays, Sundays, or the holidays listed in section 645.44, subdivision 5. The requester shall comply with all relevant requirements of the requested document.

(d) The commissioner may decline to accept an expedited service request if it is apparent at the time it is made that the request cannot be granted.

(e) The expedited service fees collected under this section ~~for an application for a driver's license, driving instruction permit, or Minnesota identification card~~ minus any portion retained by a licensing agent or deputy registrar under paragraph (b) must be paid into the driver and vehicle services operating account ~~in the special revenue fund specified under section 299A.705.~~

~~(f) The expedited service fees collected under this section for a transaction for a vehicle service minus any portion retained by a licensing agent or deputy registrar under paragraph (b) must be paid into the vehicle services operating account in the special revenue fund specified under section 299A.705.~~

Sec. 8. Minnesota Statutes 2022, section 168.327, subdivision 5b, is amended to read:

Subd. 5b. **Custom data request record fees.** (a) For purposes of this subdivision, "custom data request records" means a total of 1,000 or more (1) vehicle title records, (2) vehicle registration records, or (3) driver's license records.

(b) The commissioner must charge a fee of \$0.02 per record for custom data request records.

(c) Of the fees collected for custom data request records:

(1) 20 percent must be credited:

~~(i) for vehicle title or registration records, to the driver and vehicle services operating account under section 299A.705, subdivision 1, and is appropriated to the commissioner for the purposes of this subdivision; and~~

~~(ii) for driver's license records, to the driver services operating account under section 299A.705, subdivision 2, and is appropriated to the commissioner for the purposes of this subdivision;~~

(2) 30 percent must be credited to the data security account in the special revenue fund under section 3.9741, subdivision 5; and

(3) 50 percent must be credited to the driver and vehicle services technology account under section 299A.705, subdivision 3.

(d) The commissioner may impose an additional fee for technical staff to create a custom set of data under this subdivision.

Sec. 9. Minnesota Statutes 2022, section 168.381, subdivision 4, is amended to read:

Subd. 4. **Appropriations.** (a) Money appropriated to the Department of Public Safety to procure the plates for any fiscal year or years is available for allotment, encumbrance, and expenditure from

and after the date of the enactment of the appropriation. Materials and equipment used in the manufacture of plates are subject only to the approval of the commissioner.

(b) This section contemplates that money to be appropriated to the Department of Public Safety to carry out the terms and provisions of this section will be appropriated by the legislature from the highway user tax distribution fund.

(c) A sum sufficient is appropriated annually from the driver and vehicle services operating account ~~in the special revenue fund~~ under section 299A.705 to the commissioner to pay the costs of purchasing, delivering, and mailing plates, registration stickers, and registration notices.

Sec. 10. Minnesota Statutes 2022, section 168A.152, subdivision 2, is amended to read:

Subd. 2. **Inspection fee; proceeds allocated.** (a) A fee of \$35 must be paid to the department before the department issues a certificate of title for a vehicle that has been inspected and for which a certificate of inspection has been issued pursuant to subdivision 1. The only additional fee that may be assessed for issuing the certificate of title is the filing fee imposed under section 168.33, subdivision 7.

(b) Of the fee collected by the department under this subdivision, for conducting inspections under subdivision 1, \$20 must be deposited in the general fund and the remainder of the fee collected must be deposited in the driver and vehicle services operating account ~~in the special revenue fund as specified in~~ under section 299A.705.

Sec. 11. Minnesota Statutes 2022, section 168A.29, subdivision 1, is amended to read:

Subdivision 1. **Amounts.** (a) The department must be paid the following fees:

(1) for filing an application for and the issuance of an original certificate of title, \$8.25, of which \$4.15 must be paid into the driver and vehicle services operating account under section 299A.705, subdivision 1, and a surcharge of \$2.25 must be added to the fee and credited to the driver and vehicle services technology account under section 299A.705, subdivision 3;

(2) for each security interest when first noted upon a certificate of title, including the concurrent notation of any assignment thereof and its subsequent release or satisfaction, \$2, except that no fee is due for a security interest filed by a public authority under section 168A.05, subdivision 8;

(3) for each assignment of a security interest when first noted on a certificate of title, unless noted concurrently with the security interest, \$1; and

(4) for issuing a duplicate certificate of title, \$7.25, of which \$3.25 must be paid into the driver and vehicle services operating account under section 299A.705, subdivision 1, and a surcharge of \$2.25 must be added to the fee and credited to the driver and vehicle services technology account under section 299A.705, subdivision 3.

(b) In addition to the fee required under paragraph (a), clause (1), the department must be paid \$3.50. The additional \$3.50 fee collected under this paragraph must be deposited in the special revenue fund and credited to the public safety motor vehicle account established in section 299A.70.

Sec. 12. Minnesota Statutes 2022, section 168A.31, subdivision 2, is amended to read:

Subd. 2. **Expenses; appropriation.** All necessary expenses incurred by the department for the administration of sections 168A.01 to 168A.31 must be paid from money in the driver and vehicle services operating account of the ~~special revenue fund as specified in~~ section 299A.705, and such funds are hereby appropriated.

Sec. 13. Minnesota Statutes 2022, section 168D.06, is amended to read:

168D.06 FUEL LICENSE FEES.

License fees paid to the commissioner under the International Fuel Tax Agreement must be deposited in the driver and vehicle services operating account ~~in the special revenue fund~~ under section 299A.705. The commissioner shall charge an annual fuel license fee of \$15, an annual application filing fee of \$13 for quarterly reporting of fuel tax, and a reinstatement fee of \$100 to reinstate a revoked International Fuel Tax Agreement license.

Sec. 14. Minnesota Statutes 2022, section 168D.07, is amended to read:

168D.07 FUEL DECAL FEE.

The commissioner shall issue a decal or other identification to indicate compliance with the International Fuel Tax Agreement. The commissioner shall collect a fee for the decal or other identification in the amount established in section 168.12, subdivision 5. Decal or other identification fees paid to the commissioner under this section must be deposited in the driver and vehicle services operating account ~~in the special revenue fund~~ under section 299A.705.

Sec. 15. Minnesota Statutes 2022, section 169A.60, subdivision 16, is amended to read:

Subd. 16. **Fees credited.** Fees collected from the sale or reinstatement of license plates under this section must be paid into the state treasury and credited one-half to the driver and vehicle services operating account ~~in the special revenue fund specified in~~ section 299A.705 and one-half to the general fund.

Sec. 16. Minnesota Statutes 2022, section 171.07, subdivision 11, is amended to read:

Subd. 11. **Standby or temporary custodian.** (a) Upon the written request of the applicant and upon payment of an additional fee of \$4.25, the department shall issue a driver's license or Minnesota identification card bearing a symbol or other appropriate identifier indicating that the license holder has appointed an individual to serve as a standby or temporary custodian under chapter 257B.

(b) The request must be accompanied by a copy of the designation executed under section 257B.04.

(c) The department shall maintain a computerized records system of all individuals listed as standby or temporary custodians by driver's license and identification card applicants. This data must be released to appropriate law enforcement agencies under section 13.69. Upon a parent's request and payment of a fee of \$4.25, the department shall revise its list of standby or temporary custodians to reflect a change in the appointment.

(d) At the request of the license or cardholder, the department shall cancel the standby or temporary custodian indication without additional charge. However, this paragraph does not prohibit

a fee that may be applicable for a duplicate or replacement license or card, renewal of a license, or other service applicable to a driver's license or identification card.

(e) Notwithstanding sections 13.08, subdivision 1, and 13.69, the department and department employees are conclusively presumed to be acting in good faith when employees rely on statements made, in person or by telephone, by persons purporting to be law enforcement and subsequently release information described in paragraph (b). When acting in good faith, the department and department personnel are immune from civil liability and not subject to suit for damages resulting from the release of this information.

(f) The department and its employees:

(1) have no duty to inquire or otherwise determine whether a designation submitted under this subdivision is legally valid and enforceable; and

(2) are immune from all civil liability and not subject to suit for damages resulting from a claim that the designation was not legally valid and enforceable.

(g) Of the fees received by the department under this subdivision:

(1) Up to \$61,000 received must be deposited in the general fund.

(2) All other fees must be deposited in the driver and vehicle services operating account ~~in the special revenue fund specified in~~ under section 299A.705.

Sec. 17. Minnesota Statutes 2022, section 171.13, subdivision 7, is amended to read:

Subd. 7. **Examination fees.** (a) A fee of \$10 must be paid by an individual to take a third and any subsequent knowledge test administered by the department if the individual has failed two previous consecutive knowledge tests on the subject.

(b) A fee of \$20 must be paid by an individual to take a third and any subsequent skills or road test administered by the department if the individual has previously failed two consecutive skill or road tests in a specified class of motor vehicle.

(c) A fee of \$20 must be paid by an individual who fails to appear for a scheduled skills or road test or who cancels a skills or road test within 24 hours of the appointment time.

(d) All fees received under this subdivision must be paid into the state treasury and credited to the driver and vehicle services operating account ~~in the special revenue fund specified~~ under section 299A.705.

Sec. 18. Minnesota Statutes 2022, section 171.26, is amended to read:

171.26 MONEY CREDITED TO FUNDS.

Subdivision 1. **Driver and vehicle services operating account.** Unless otherwise specified, all money received under this chapter must be paid into the state treasury and credited to the driver and vehicle services operating account ~~in the special revenue fund specified~~ under ~~sections~~ section 299A.705, ~~except as provided in subdivision 2 of that section; 171.06, subdivision 2a; 171.07,~~

~~subdivision 11, paragraph (g); 171.20, subdivision 4, paragraph (d); and 171.29, subdivision 2, paragraph (b).~~

Sec. 19. Minnesota Statutes 2022, section 171.29, subdivision 2, is amended to read:

Subd. 2. Reinstatement fees and surcharges allocated and appropriated. (a) An individual whose driver's license has been revoked by reason of one or more convictions, pleas of guilty, forfeitures of bail not vacated, or mandatory revocations under section 169.791, 169.792, 169.797, 171.17, or 171.172, and who is otherwise eligible for reinstatement must pay a single \$30 fee before the driver's license is reinstated. An individual whose driver's license has been revoked under provisions specified in both this paragraph and paragraph (b) must pay the reinstatement fee as provided in paragraph (b).

(b) A person whose driver's license has been revoked under section 169A.52, 169A.54, 171.177, 609.2112, 609.2113, or 609.2114, or Minnesota Statutes 2012, section 609.21, must pay a \$250 fee plus a \$430 surcharge for each instance of revocation before the driver's license is reinstated, except as provided in paragraph (f). The \$250 fee must be credited as follows:

(1) 20 percent to the driver and vehicle services operating account ~~in the special revenue fund as specified in~~ under section 299A.705;

(2) 67 percent to the general fund;

(3) eight percent to a separate account to be known as the Bureau of Criminal Apprehension account. Money in this account is annually appropriated to the commissioner of public safety and the appropriated amount must be apportioned 80 percent for laboratory costs and 20 percent for carrying out the provisions of section 299C.065; and

(4) five percent to a separate account to be known as the vehicle forfeiture account, which is created in the special revenue fund. The money in the account is annually appropriated to the commissioner for costs of handling vehicle forfeitures.

(c) The revenue from \$50 of the surcharge must be credited to a separate account to be known as the traumatic brain injury and spinal cord injury account. The revenue from \$50 of the surcharge on a reinstatement under paragraph (f) is credited from the first installment payment to the traumatic brain injury and spinal cord injury account. The money in the account is annually appropriated to the commissioner of health to be used as follows: 83 percent for contracts with a qualified community-based organization to provide information, resources, and support to assist persons with traumatic brain injury and their families to access services, and 17 percent to maintain the traumatic brain injury and spinal cord injury registry created in section 144.662. For the purposes of this paragraph, a "qualified community-based organization" is a private, not-for-profit organization of consumers of traumatic brain injury services and their family members. The organization must be registered with the United States Internal Revenue Service under section 501(c)(3) as a tax-exempt organization and must have as its purposes:

(1) the promotion of public, family, survivor, and professional awareness of the incidence and consequences of traumatic brain injury;

- (2) the provision of a network of support for persons with traumatic brain injury, their families, and friends;
- (3) the development and support of programs and services to prevent traumatic brain injury;
- (4) the establishment of education programs for persons with traumatic brain injury; and
- (5) the empowerment of persons with traumatic brain injury through participation in its governance.

A patient's name, identifying information, or identifiable medical data must not be disclosed to the organization without the informed voluntary written consent of the patient or patient's guardian or, if the patient is a minor, of the parent or guardian of the patient.

(d) The remainder of the surcharge must be credited to a separate account to be known as the remote electronic alcohol-monitoring program account. The commissioner shall transfer the balance of this account to the commissioner of management and budget on a monthly basis for deposit in the general fund.

(e) When these fees are collected by a driver's license agent, appointed under section 171.061, a filing fee is imposed in the amount specified under section 171.061, subdivision 4. The reinstatement fees, surcharge, and filing fee must be deposited in an approved depository as directed under section 171.061, subdivision 4.

(f) A person whose driver's license has been revoked as provided in subdivision 1 under section 169A.52, 169A.54, or 171.177 may choose to pay 50 percent and an additional \$25 of the total amount of the surcharge and 50 percent of the fee required under paragraph (b) to reinstate the person's driver's license, provided the person meets all other requirements of reinstatement. If a person chooses to pay 50 percent of the total and an additional \$25, the driver's license must expire after two years. The person must pay an additional 50 percent less \$25 of the total to extend the license for an additional two years, provided the person is otherwise still eligible for the license. After this final payment of the surcharge and fee, the license may be renewed on a standard schedule, as provided under section 171.27. A filing fee may be imposed for each installment payment. Revenue from the filing fee is credited to the driver and vehicle services operating account ~~in the special revenue fund~~ under section 299A.705 and is appropriated to the commissioner.

(g) Any person making installment payments under paragraph (f), whose driver's license subsequently expires, or is canceled, revoked, or suspended before payment of 100 percent of the surcharge and fee, must pay the outstanding balance due for the initial reinstatement before the driver's license is subsequently reinstated. Upon payment of the outstanding balance due for the initial reinstatement, the person may pay any new surcharge and fee imposed under paragraph (b) in installment payments as provided under paragraph (f).

Sec. 20. Minnesota Statutes 2022, section 171.36, is amended to read:

171.36 LICENSE FEES; RENEWAL.

All licenses expire one year from the date of issuance and may be renewed upon application to the commissioner. Each application for an original or renewal school license must be accompanied

by a fee of \$150 and each application for an original or renewal instructor's license must be accompanied by a fee of \$50. The license fees collected under sections 171.33 to 171.41 must be paid into the driver and vehicle services operating account ~~in the special revenue fund specified~~ under section 299A.705. A license fee must not be refunded in the event that the license is rejected or revoked.

Sec. 21. **REVISOR INSTRUCTION.**

The revisor of statutes must change the terms "driver services operating account" and "vehicle services operating account" to "driver and vehicle services operating account" wherever the terms appear in Minnesota Statutes.

Sec. 22. **REPEALER.**

Minnesota Statutes 2022, sections 168.121, subdivision 5; 168.1282, subdivision 5; 168.1294, subdivision 5; 168.1299, subdivision 4; and 299A.705, subdivision 2, are repealed.

ARTICLE 6

METROPOLITAN COUNCIL GOVERNANCE AND OPERATIONS

Section 1. 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 employed by, or under contract with, a school board under section 121A.21; and
- (7) transit rider investment program personnel authorized under section 473.4075.

(b) For the purposes of this subdivision, opiate antagonists may be administered by one of these individuals only if:

- (1) the licensed physician, licensed physician assistant, or licensed advanced practice registered nurse has issued a standing order to, or entered into a protocol with, the individual; and

(2) the individual has training in the recognition of signs of opiate overdose and the use of opiate antagonists as part of the emergency response to opiate overdose.

(c) Nothing in this section prohibits the possession and administration of naloxone pursuant to section 604A.04.

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

Sec. 2. [174.48] CONSTRUCTION OF NONARTERIAL BUS RAPID TRANSIT FACILITIES.

If a planned bus rapid transit line has either a total estimated construction cost of more than \$100,000,000 or will operate substantially within separated rights-of-way, the commissioner is the responsible authority and must construct bus rapid transit facilities and infrastructure in the metropolitan area. The commissioner must ensure any construction project subject to this section is constructed in compliance with applicable plans and designs adopted by the Metropolitan Council.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all bus rapid transit projects excluding the Gold Line bus rapid transit project.

Sec. 3. Minnesota Statutes 2022, section 357.021, subdivision 6, is amended to read:

Subd. 6. **Surcharges on criminal and traffic offenders.** (a) Except as provided in this subdivision, the court shall impose and the court administrator shall collect a \$75 surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty misdemeanor offense, other than a violation of: (1) a law or ordinance relating to vehicle parking, for which there shall be is a \$12 surcharge; and (2) section 609.855, subdivision 1, 3, or 3a, for which there is a \$25 surcharge. When a defendant is convicted of more than one offense in a case, the surcharge shall be imposed only once in that case. In the Second Judicial District, the court shall impose, and the court administrator shall collect, an additional \$1 surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty misdemeanor offense, including a violation of a law or ordinance relating to vehicle parking, if the Ramsey County Board of Commissioners authorizes the \$1 surcharge. The surcharge shall be imposed whether or not the person is sentenced to imprisonment or the sentence is stayed. The surcharge shall not be imposed when a person is convicted of a petty misdemeanor for which no fine is imposed.

(b) The court may reduce the amount or waive payment of the surcharge required under this subdivision on a showing of indigency or undue hardship upon the convicted person or the convicted person's immediate family. Additionally, the court may permit the defendant to perform community work service in lieu of a surcharge.

(c) The court administrator or other entity collecting a surcharge shall forward it to the commissioner of management and budget.

(d) If the convicted person is sentenced to imprisonment and has not paid the surcharge before the term of imprisonment begins, the chief executive officer of the correctional facility in which the convicted person is incarcerated shall collect the surcharge from any earnings the inmate accrues from work performed in the facility or while on conditional release. The chief executive officer

shall forward the amount collected to the court administrator or other entity collecting the surcharge imposed by the court.

(e) A person who enters a diversion program, continuance without prosecution, continuance for dismissal, or stay of adjudication for a violation of chapter 169 must pay the surcharge described in this subdivision. A surcharge imposed under this paragraph shall be imposed only once per case.

(f) The surcharge does not apply to administrative citations issued pursuant to section 169.999.

(g) The surcharge does not apply to administrative citations issued by transit rider investment program personnel pursuant to section 473.4075.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to violations committed on or after that date.

Sec. 4. Minnesota Statutes 2022, section 357.021, subdivision 7, is amended to read:

Subd. 7. **Disbursement of surcharges by commissioner of management and budget.** (a) Except as provided in paragraphs (b) to (d), the commissioner of management and budget shall disburse surcharges received under subdivision 6 as follows:

(1) one percent shall be credited to the peace officer training account in the game and fish fund to provide peace officer training for employees of the Department of Natural Resources who are licensed under sections 626.84 to 626.863, and who possess peace officer authority for the purpose of enforcing game and fish laws; and

(2) 99 percent shall be credited to the general fund.

(b) The commissioner of management and budget shall credit \$3 of each surcharge received under subdivision 6 to the general fund.

(c) In addition to any amounts credited under paragraph (a), the commissioner of management and budget shall credit the following to the general fund: \$47 of each surcharge received under subdivision 6 and; the \$12 parking surcharge, to the general fund; and the \$25 surcharge for a violation of section 609.855, subdivision 1, 3, or 3a.

(d) If the Ramsey County Board of Commissioners authorizes imposition of the additional \$1 surcharge provided for in subdivision 6, paragraph (a), the court administrator in the Second Judicial District shall transmit the surcharge to the commissioner of management and budget. The \$1 special surcharge is deposited in a Ramsey County surcharge account in the special revenue fund and amounts in the account are appropriated to the trial courts for the administration of the petty misdemeanor diversion program operated by the Second Judicial District Ramsey County Violations Bureau.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to violations committed on or after that date.

Sec. 5. Minnesota Statutes 2022, section 473.146, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** The council shall adopt a long-range comprehensive policy plan for transportation, climate action, and wastewater treatment. The plans must substantially conform to all policy statements, purposes, goals, standards, and maps in the development guide developed and adopted by the council under this chapter. Each policy plan must include, to the extent appropriate to the functions, services, and systems covered, the following:

(1) forecasts of changes in the general levels and distribution of population, households, employment, land uses, and other relevant matters, for the metropolitan area and appropriate subareas;

(2) a statement of issues, problems, needs, and opportunities with respect to the functions, services, and systems covered;

(3) a statement of the council's goals, objectives, and priorities with respect to the functions, services, and systems covered, addressing areas and populations to be served, the levels, distribution, and staging of services; a general description of the facility systems required to support the services; the estimated cost of improvements required to achieve the council's goals for the regional systems, including an analysis of what portion of the funding for each improvement is proposed to come from the state, Metropolitan Council levies, and cities, counties, and towns in the metropolitan area, respectively, and other similar matters;

(4) a statement of policies to effectuate the council's goals, objectives, and priorities;

(5) a statement of the fiscal implications of the council's plan, including a statement of: (i) the resources available under existing fiscal policy; (ii) the adequacy of resources under existing fiscal policy and any shortfalls and unattended needs; (iii) additional resources, if any, that are or may be required to effectuate the council's goals, objectives, and priorities; and (iv) any changes in existing fiscal policy, on regional revenues and intergovernmental aids respectively, that are expected or that the council has recommended or may recommend;

(6) a statement of the relationship of the policy plan to other policy plans and chapters of the Metropolitan Development Guide;

(7) a statement of the relationships to local comprehensive plans prepared under sections 473.851 to 473.871; ~~and~~

(8) additional general information as may be necessary to develop the policy plan or as may be required by the laws relating to the metropolitan agency and function covered by the policy plan; and

(9) forecasts pertaining to greenhouse gas emissions that are generated from activity that occurs within local jurisdictions, including from transportation, land use, energy use, solid waste, livestock, and agriculture and the estimated impact of strategies that reduce or naturally sequester greenhouse gas emissions across sectors.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 6. Minnesota Statutes 2022, section 473.146, is amended by adding a subdivision to read:

Subd. 5. **Development guide; climate action.** The climate action chapter must include policies that describe how metropolitan system plans, as defined under section 473.852, subdivision 8, meet greenhouse gas emissions reduction goals established by the state under section 216H.02, subdivision 1, and transportation targets established by the commissioner of transportation, including vehicle miles traveled reduction targets established in the statewide multimodal transportation plan under section 174.03, subdivision 1a.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 7. [473.248] METROPOLITAN AREA ACTIVE TRANSPORTATION PROGRAM.

Subdivision 1. **Definition.** For purposes of this section, "active transportation" means bicycling, pedestrian activities, and other forms of nonmotorized transportation.

Subd. 2. **Program established.** Subject to available funds received under section 473.4465, the council must establish a program to support active transportation within the metropolitan area.

Subd. 3. **Program administration.** (a) The council must establish active transportation program requirements, including:

- (1) assistance eligibility, subject to the requirements under subdivision 4;
- (2) a solicitation and application process that minimizes the burden on applicants; and
- (3) procedures to award and pay financial assistance.

(b) The council must annually conduct a solicitation for active transportation projects under this program.

(c) The council must make reasonable efforts to publicize each application solicitation among all eligible recipients. The council must assist applicants to create and submit applications, with an emphasis on providing assistance in communities that are historically and currently underrepresented in local or regional planning, including communities of color, low-income households, people with disabilities, and people with limited English proficiency.

(d) The council may provide grants or other financial assistance for a project.

(e) The council is prohibited from expending more than one percent of available funds in a fiscal year under this section on program administration.

Subd. 4. **Eligibility.** An eligible recipient of financial assistance under this section includes:

- (1) a political subdivision; or
- (2) a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code, as amended.

Subd. 5. **Use of funds.** The council must determine permissible uses of financial assistance under this section, which are limited to:

(1) construction and maintenance of bicycle, trail, and pedestrian infrastructure, including but not limited to safe routes to school infrastructure and bicycle facilities and centers; and

(2) noninfrastructure programming, including activities as specified in section 174.40, subdivision 7a, paragraph (b).

Subd. 6. **Project evaluation and selection.** The council must establish a project evaluation and selection committee. The chair of the council must appoint one city council member or mayor from each council district to serve on the committee. The committee must establish a process to select projects that are competitive, criteria-based, and objective. The process must include criteria and prioritization of projects based on:

(1) the project's inclusion in a municipal or regional nonmotorized transportation system plan;

(2) the extent to which policies or practices of the political subdivision encourage and promote complete street planning, design, and construction;

(3) the extent to which the project supports connections between communities and to key destinations within a community;

(4) identified barriers or deficiencies in the nonmotorized transportation system;

(5) identified safety or health benefits;

(6) geographic equity in project benefits, with an emphasis on communities that are historically and currently underrepresented in local or regional planning; and

(7) the ability of a grantee to maintain the active transportation infrastructure following project completion.

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

Sec. 8. Minnesota Statutes 2022, section 473.3994, subdivision 1a, is amended to read:

Subd. 1a. **Designation of responsible authority.** For each proposed light rail transit facility in the metropolitan area, the governor must designate ~~either the Metropolitan Council or the state of Minnesota acting through the commissioner of transportation as the entity responsible for planning, designing, acquiring, constructing, and equipping the facility. Notwithstanding such designation,~~ The commissioner ~~and the council~~ may enter into one or more cooperative agreements with the Metropolitan Council with respect to the planning, designing, ~~acquiring, constructing,~~ or equipping of a particular light rail transit facility that provide for the parties to exercise their respective authorities in support of the project in a manner that best serves the project and the public.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to projects that enter into full funding grant agreements on or after that date.

Sec. 9. Minnesota Statutes 2022, section 473.3994, subdivision 4, is amended to read:

Subd. 4. **Preliminary design plans; council hearing.** If the governing body of one or more cities, counties, or towns disapproves the preliminary design plans within the period allowed under

subdivision 3, the council shall hold a hearing on the plans, giving the commissioner of transportation; ~~if the responsible authority~~, any disapproving local governmental units, and other persons an opportunity to present their views on the plans. The council may conduct independent study as it deems desirable and may mediate and attempt to resolve disagreements about the plans. Within 60 days after the hearing, the council shall review the plans and shall decide what amendments to the plans, if any, must be made to accommodate the objections presented by the disapproving local governmental units. Amendments to the plans as decided by the council must be made before continuing the planning and designing process.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to projects that enter into full funding grant agreements on or after that date.

Sec. 10. Minnesota Statutes 2022, section 473.3994, subdivision 7, is amended to read:

Subd. 7. **Council review.** ~~If the commissioner is the responsible authority~~, Before proceeding with construction of a light rail transit facility, the commissioner must submit preliminary and final design plans to the Metropolitan Council. The council must review the plans for consistency with the council's development guide and approve the plans.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to projects that enter into full funding grant agreements on or after that date.

Sec. 11. Minnesota Statutes 2022, section 473.3994, subdivision 9, is amended to read:

Subd. 9. **Light rail transit operating costs.** (a) Before submitting an application for federal assistance for light rail transit facilities in the metropolitan area, the Metropolitan Council must prepare an estimate of the amount of operating subsidy which will be required to operate light rail transit in the corridor to which the federal assistance would be applied. The estimate must indicate the amount of operating subsidy estimated to be required in each of the first ten years of operation of the light rail transit facility. ~~If the commissioner of transportation is the responsible authority~~, The commissioner must provide information requested by the council that is necessary to make the estimate.

(b) The council must review and evaluate the estimate developed under paragraph (a) with regard to the effect of operating the light rail transit facility on the currently available mechanisms for financing transit in the metropolitan area.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to projects that enter into full funding grant agreements on or after that date.

Sec. 12. Minnesota Statutes 2022, section 473.3994, subdivision 14, is amended to read:

Subd. 14. **Transfer of facility after construction.** ~~If the commissioner of transportation is the responsible authority for a particular light rail transit facility~~, The commissioner must transfer to the Metropolitan Council all facilities constructed and all equipment and property acquired in developing ~~the a particular light rail transit~~ facility upon completion of construction.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to projects that enter into full funding grant agreements on or after that date.

Sec. 13. Minnesota Statutes 2022, section 473.3995, is amended to read:

473.3995 LIGHT RAIL TRANSIT; DESIGN-BUILD METHOD.

(a) A responsible authority may use a design-build method of project development and construction for light rail transit. Notwithstanding any law to the contrary, a responsible authority may award a design-build contract on the basis of requests for proposals or requests for qualifications without bids. "Design-build method of project development and construction" means a project delivery system in which a single contractor is responsible for both the design and construction of the project and bids the design and construction together.

(b) If a responsible authority utilizes a design-build method of project development and construction for light rail transit, the requirements and procedures in sections 161.3410 to 161.3426 apply to the procurement, subject to the following conditions and exceptions:

~~(1) if the Metropolitan Council is the responsible authority for a particular light rail transit project, when used in sections 161.3410 to 161.3426, (i) the terms "commissioner," "Minnesota Department of Transportation," "department," "state agencies," and "road authority" refer to the Metropolitan Council, and (ii) the term "state" refers to the Metropolitan Council except in references to state law or in references to the state as a geographical location;~~

~~(2) (1) the provisions of section 161.3412, subdivisions 3 and 4, are not applicable to the procurement; and~~

~~(3) (2) if any federal funds are used in developing or constructing the light rail transit project, any provisions in sections 161.3410 to 161.3426 that are inconsistent with, or prohibited by, any federal law, regulation, or other requirement are not applicable to the procurement.~~

EFFECTIVE DATE. This section is effective the day following final enactment and applies to projects that enter into full funding grant agreements on or after that date.

Sec. 14. Minnesota Statutes 2022, section 473.3997, is amended to read:

473.3997 FEDERAL FUNDING; LIGHT RAIL TRANSIT.

(a) Upon completion of the alternatives analysis and draft environmental impact statement, and selection of the locally preferred alternative, for each light rail transit facility, the responsible authority may prepare an application for federal assistance for the light rail transit facility. ~~If the commissioner is the responsible authority,~~ The application must be reviewed and approved by the Metropolitan Council before it is submitted by the commissioner. In reviewing the application the council must consider the operating cost estimate developed under section 473.3994, subdivision 9.

(b) Except for the designated responsible authority for a particular light rail transit facility, no political subdivision in the metropolitan area may on its own apply for federal assistance for light rail transit planning or construction.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to projects that enter into full funding grant agreements on or after that date.

Sec. 15. Minnesota Statutes 2022, section 473.405, subdivision 4, is amended to read:

Subd. 4. **Transit systems.** Except as provided by sections 174.48 and 473.3993 to 473.3997, the council may engineer, construct, equip, and operate transit and paratransit systems, projects, or any parts thereof, including road lanes or rights-of-way, terminal facilities, maintenance and garage facilities, ramps, parking areas, and any other facilities useful for or related to any public transit or paratransit system or project. The council may sell or lease naming rights with regard to light rail transit stations and apply revenues from sales or leases to light rail transit operating costs.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to projects that enter into full funding grant agreements on or after that date.

Sec. 16. **[473.4065] TRANSIT RIDER ACTIVITY.**

Subdivision 1. Code of conduct; establishment. (a) The council must adopt a rider code of conduct for transit passengers. The council must post a copy of the code of conduct in a prominent location at each light rail transit station, bus rapid transit station, and transit center.

(b) The rider code of conduct must include a prohibition on:

(1) operating a radio, television, tape player, electronic musical instrument, or other electronic device other than a watch, which amplifies music, unless the sound emanates only from earphones or headphones and except that vehicle operators may operate electronic equipment for official business;

(2) consuming food or beverages, except when authorized by the operator or other authorized transit official; and

(3) carrying or being in control of an animal without the operator's consent.

(c) The code of conduct must not prohibit sleeping in a manner that does not otherwise violate conduct requirements.

Subd. 2. Code of conduct; violations. An authorized transit representative, as defined in section 609.855, subdivision 7, paragraph (g), may order a person to depart a transit vehicle or transit facility for a violation of the rider code of conduct established under subdivision 1 if the person continues to act in violation of the code of conduct after being warned once to stop.

Subd. 3. Paid fare zones. The council must establish and clearly designate paid fare zones at each light rail transit station where the council utilizes self-service barrier-free fare collection.

Subd. 4. Light rail transit facility monitoring. (a) The council must implement and maintain public safety monitoring and response activities at light rail transit facilities that include:

(1) placement of security cameras and sufficient associated lighting that provide live coverage for (i) the entire area at each light rail transit station, and (ii) each light rail transit vehicle;

(2) installation of a public address system at each light rail transit station that is capable of providing information and warnings to passengers; and

(3) real-time active monitoring of passenger activity and potential violations throughout the light rail transit system.

(b) The monitoring activities must include timely maintenance or replacement of malfunctioning cameras or public address systems.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 17. **[473.4075] TRANSIT RIDER INVESTMENT PROGRAM.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms and the terms defined in section 609.855, subdivision 7, have the meanings given.

(b) "Transit official" means an individual who is authorized as TRIP personnel, a community service officer, or a peace officer as defined in section 626.84, subdivision 1, paragraph (c).

(c) "TRIP personnel" means persons specifically authorized by the council for the transit rider investment program under this section, including but not limited to fare inspection and enforcement, who are not peace officers or community service officers.

(d) "TRIP" or "program" means the transit rider investment program established in this section.

Subd. 2. **Program established.** (a) Subject to available funds, the council must implement a transit rider investment program that provides for TRIP personnel deployment, fare payment inspection, administrative citation issuance, rider education and assistance, and improvements to the transit experience.

(b) As part of program implementation, the council must:

(1) adopt a resolution that establishes the program and establishes fine amounts in accordance with subdivision 8;

(2) establish policies and procedures that govern authorizing and training TRIP personnel, TRIP personnel uniforms, issuing an administrative citation, and contesting an administrative citation;

(3) consult with stakeholders on the design of the program;

(4) develop a TRIP personnel recruitment plan that includes informing and supporting potential applicants who are:

(i) representative of transit users; and

(ii) from cultural, ethnic, and racial communities that are historically underrepresented in state or local public service;

(5) develop a TRIP personnel strategic deployment plan that:

(i) requires teams of at least two individuals; and

(ii) targets deployment to times and locations with identified concentrations of activity that are subject to administrative citations, other citations, or arrest or that negatively impact the rider experience; and

(6) provide for training to peace officers who provide law enforcement assistance under an agreement with the council on the program and issuance of administrative citations.

Subd. 3. **TRIP manager.** The council must appoint a TRIP manager to manage the program. The TRIP manager must have managerial experience in social services, transit service, or law enforcement. The TRIP manager is a TRIP personnel staff member.

Subd. 4. **TRIP personnel; duties; requirements.** (a) The duties of the TRIP personnel include:

(1) monitoring and responding to passenger activity including:

(i) educating passengers and specifying expectations related to the council's rider code of conduct; and

(ii) assisting passengers in obtaining social services, such as through information and referrals;

(2) acting as a liaison to social service agencies;

(3) providing information to passengers on using the transit system;

(4) providing direct navigation assistance and accompaniment to passengers who have a disability, are elderly, or request enhanced personal aid;

(5) performing fare payment inspections;

(6) issuing administrative citations as provided in subdivision 6; and

(7) obtaining assistance from peace officers or community service officers as necessary.

(b) An individual who is authorized as TRIP personnel must be an employee of the council and must wear the uniform as established by the council at all times when on duty.

Subd. 5. **TRIP personnel; training.** Training for TRIP personnel must include the following topics:

(1) early warning techniques, crisis intervention, conflict de-escalation, and conflict resolution;

(2) identification of persons likely in need of social services;

(3) locally available social service providers, including services for homelessness, mental health, and addiction;

(4) policies and procedures for administrative citations; and

(5) administration of opiate antagonists in a manner that meets the requirements under section 151.37, subdivision 12.

Subd. 6. **Administrative citations; authority; issuance.** (a) A transit official has the exclusive authority to issue an administrative citation to a person who commits a violation under section 609.855, subdivision 1 or 3.

(b) An administrative citation must include notification that the person has the right to contest the citation, basic procedures for contesting the citation, and information on the timeline and consequences for failure to contest the citation or pay the fine.

(c) The council must not mandate or suggest a quota for the issuance of administrative citations under this section.

(d) Issuance and resolution of an administrative citation is a bar to prosecution under section 609.855, subdivision 1 or 3, or for any other violation arising from the same conduct.

Subd. 7. **Administrative citations; disposition.** (a) A person who commits a violation under section 609.855, subdivision 1 or 3, and is issued an administrative citation under this section must, within 90 days of issuance, pay the fine as specified or contest the citation. A person who fails to either pay the fine or contest the citation within the specified period is considered to have waived the contested citation process and is subject to collections.

(b) The council must provide a civil process for a person to contest the administrative citation before a neutral third party. The council may employ a council employee not associated with its transit operations to hear and rule on challenges to administrative citations or may contract with another unit of government or a private entity to provide the service.

(c) The council may contract with credit bureaus, public and private collection agencies, the Department of Revenue, and other public or private entities providing collection services as necessary for the collection of fine debts under this section. As determined by the council, collection costs are added to the debts referred to a public or private collection entity for collection. Collection costs include the fees of the collection entity and may include, if separately provided, skip tracing fees, credit bureau reporting charges, and fees assessed by any public entity for obtaining information necessary for debt collection. If the collection entity collects an amount less than the total due, the payment is applied proportionally to collection costs and the underlying debt.

Subd. 8. **Administrative citations; penalties.** (a) The amount of a fine under this section must be set at no less than \$35 and no more than \$100.

(b) Subject to paragraph (a), the council may adopt a graduated structure that increases the fine amount for second and subsequent violations.

(c) The council may adopt an alternative resolution procedure under which a person may resolve an administrative citation in lieu of paying a fine by complying with terms established by the council for community service, prepayment of future transit fares, or both. The alternative resolution procedure must be available only to a person who has committed a violation under section 609.855, subdivision 1 or 3, for the first time, unless the person demonstrates financial hardship under criteria established by the council.

EFFECTIVE DATE; APPLICATION. This section is effective July 1, 2023, except that subdivisions 1 and 3 are effective the day following final enactment. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 18. **[473.4077] LEGISLATIVE REPORT; TRANSIT SAFETY AND RIDER EXPERIENCE.**

Subdivision 1. **Definitions.** For purposes of this section, the terms defined in section 473.4075 have the meanings given.

Subd. 2. **Legislative report.** (a) Annually by February 15, the council must submit a report on transit safety and rider experience to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance.

(b) At a minimum, the report must:

(1) provide an overview of transit safety issues and actions taken by the council to improve safety, including improvements made to equipment and infrastructure;

(2) provide an overview of the rider code of conduct and measures required under section 473.4065;

(3) provide an overview of the transit rider investment program under section 473.4075 and the program's structure and implementation;

(4) provide an overview of the activities of transit rider investment program personnel, including specifically describing the activities of uniformed transit safety officials;

(5) provide a description of all policies adopted pursuant to section 473.4075, the need for each policy, and a copy of each policy;

(6) if the council adopted an alternative resolution procedure pursuant to section 473.4075, subdivision 5, provide:

(i) a description of that procedure;

(ii) the criteria used to determine financial hardship; and

(iii) for each of the previous three calendar years, how frequently the procedure was used, the number of community service hours performed, and the total amount paid as prepayment of transit fares;

(7) for each of the previous three calendar years:

(i) identify the number of fare compliance inspections that were completed including the total number and the number as a percentage of total rides;

(ii) state the number of warnings and citations issued by the Metro Transit Police Department and transit agents, including a breakdown of which type of officer or official issued the citation, the

statutory authority for issuing the warning or citation, the reason given for each warning or citation issued, and the total number of times each reason was given;

(iii) state the number of administrative citations that were appealed pursuant to section 473.4075, the number of those citations that were dismissed on appeal, and a breakdown of the reasons for dismissal;

(iv) include data and statistics on crime rates occurring on public transit vehicles and surrounding transit stops and stations;

(v) state the number of peace officers employed by the Metro Transit Police Department;

(vi) state the average number of peace officers employed by the Metro Transit Police Department; and

(vii) state the number of uniformed transit safety officials and community service officers who served as transit agents;

(8) analyze impacts of the transit rider investment program on fare compliance and customer experience for riders, including rates of fare violations; and

(9) make recommendations on the following:

(i) changes to the administrative citation program; and

(ii) methods to improve safety on public transit and at transit stops and stations.

EFFECTIVE DATE; APPLICATION. This section is effective July 1, 2023, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 19. [473.453] COMPLETE BIDDING REQUIREMENTS; LEGISLATIVE REPORT.

Notwithstanding the provisions of sections 471.345 and 473.3994, if the Metropolitan Council is the responsible authority of a transit project with a total project cost of greater than \$50,000,000, the council must notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy at least 30 days before bidding commences if the council's project specifications are incomplete or subject to significant additions. The notification must include the council's reasons for incomplete project specifications or the reasons why the significant project additions are not included in the bidding process.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies to bids made on or after October 1, 2023. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 20. [473.454] CONTINGENCY PLANS AND RESERVE; REPORT REQUIRED.

(a) Notwithstanding the provisions of sections 471.345 and 473.3994, a responsible authority must establish formal contingency plans for temporarily or permanently stopping work if:

(1) a light rail transit project will not be completed within a year of its scheduled completion date;

(2) total expenditures on the project to date are anticipated to increase by ten percent above the most recent cost estimate; or

(3) any of the responsible authority's civil contractors submits a schedule update with a delay of greater than six months from the most recent estimated completion date.

(b) A contingency plan created under this section must evaluate:

(1) how the responsible authority will address any increases to the total project cost;

(2) the impact to any delay to the responsible authority's contingency budget reserves;

(3) the effect on existing contractual obligations; and

(4) a new baseline schedule for completion of the project.

Within 30 days of the contingency plan being created, the responsible authority must submit the contingency plan to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy.

(c) Notwithstanding any provision of law to the contrary, if a responsible authority applies for grants from the Federal Transit Administration totaling more than \$50,000,000 and the Federal Transit Administration institutes an evaluation of the responsible party's financial capacity, the responsible authority must report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The report must be submitted to the legislature within 30 days of the Federal Transit Administration initiating the review. The report must detail how the responsible authority plans to provide sufficient funding for unexpected cost overruns and which local authority would be responsible for providing the additional funding if necessary.

(d) A responsible authority may not adopt changes to design or construction plans for a light rail transit project without establishing a contingency plan under this section if the responsible authority:

(1) has insufficient funds to complete the light rail transit project; or

(2) has insufficient funds to halt the light rail transit project.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies to bids made on or after October 1, 2023. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 21. **[473.455] CONTRACT SCHEDULE REQUIREMENTS; REPORT REQUIRED.**

Subdivision 1. **Schedule agreement required.** (a) Notwithstanding the provisions of sections 471.345 and 473.3994, if the council is the responsible authority for a light rail transit project, any agreement between the council and a contractor with respect to constructing any portion of a light

rail transit project must contain a preliminary construction schedule agreement and a proposed general baseline schedule.

(b) If the council is the responsible authority, the council must consider whether to approve a preliminary construction schedule. A preliminary construction schedule agreement must contain:

(1) contractual milestones needed to complete the project within the required interim and final completion dates;

(2) a schedule for the first 180 days of work under the contract; and

(3) an initial draft baseline schedule that forms the basis of a general baseline schedule proposed in paragraph (c).

(c) Upon approval by the council of a preliminary construction schedule, the contractor and the council must evaluate the initial general baseline schedule set forth in paragraph (b), clause (3), as the basis for the proposed general baseline schedule. The proposed general baseline schedule must establish how the contractor plans to complete all contracted work for the light rail transit project and include a detailed scope of work that includes but is not limited to a framework that assigns costs and resources for each specifically scheduled task.

(d) If the council is the responsible authority and approves the proposed general baseline schedule with respect to constructing any portion of a light rail transit project, the contractor must submit monthly written status reports to the council. Any late, repeat, or incomplete submissions by the contractor are considered a nonexcusable delay and entitles the council to stop completed work payments under subdivision 4.

Subd. 2. **Prohibition.** If the council is the responsible authority for a light rail transit project, construction cannot begin without an accepted general baseline schedule by both the council and the contractor under subdivision 1, paragraph (c). The council and the contractor must approve the preliminary construction schedule before establishing and approving a proposed general baseline schedule.

Subd. 3. **Conditional approval.** If the council is the responsible authority for a light rail transit project and the contractor proposes revision to either an approved preliminary construction schedule or an accepted general baseline schedule under subdivision 1, paragraph (d), the council must decide whether to approve the proposed revision before issuing any further completed work payment to the contractor. If the council rejects the proposed revision, the council must immediately suspend payments to the contractor.

Subd. 4. **Enforcement.** An agreement between the council and the contractor with respect to constructing any portion of a light rail transit project must include provisions to allow the council to withhold payments for completed work if the contractor is delinquent under the general baseline schedule requirements in subdivision 1, paragraph (c), and for conditional approval of construction as provided in subdivision 3. Withheld payments under this subdivision must be greater than five percent and less than ten percent of the total payment requested by the contractor.

Subd. 5. **Report required.** (a) If the council is the responsible authority and a preliminary construction schedule and a general baseline schedule are approved for constructing a portion of a

light rail project, the council must submit the preliminary construction schedule and general baseline schedule to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy within 30 days.

(b) If the council is the responsible authority, and no agreement can be reached on a general baseline schedule under subdivision 1, paragraph (c), the council must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy within 30 days on the barriers facing approval of the general baseline construction schedule.

(c) If the council is the responsible authority and receives notification of a proposed revision to either the preliminary construction schedule or general baseline schedule under subdivision 3, the council must report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy within 14 days of the proposed revision on the estimated impact on the project completion date and total project cost from the proposed revision. If the council rejects the proposed revision, the council must notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy within seven days of rejection.

(d) If the council is the responsible authority and withholds completed work payments greater than \$50,000 from a contractor under subdivision 4, the council must report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy within 14 days on the amount withheld, the reasons for withholding payment, and the steps needed to address the delay.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies to bids made on or after October 1, 2023. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 22. **[473.456] PEER REVIEW FOR CERTAIN PROJECT ELEMENTS; LEGISLATIVE REPORTS.**

(a) For purposes of this section, the term "value analysis" has the meaning given in section 174.15, subdivision 3, and the term "value engineering proposal" has the meaning given in section 174.15, subdivision 4.

(b) Notwithstanding any law to the contrary, if the Metropolitan Council is the responsible authority for a light rail transit project, the council must establish a multiparty peer review application to initiate a multiparty peer review process with the Department of Transportation and any counties within which a transit project is to be operated. The multiparty peer review application must be filed within 180 days of the start date of the contract and every 90 days thereafter until the project is completed. The commissioner of transportation must review the multiparty peer review application and determine whether to initiate a multiparty peer review. In determining whether to initiate a peer review, the commissioner must apply value analysis to either (1) the entirety of the light rail transit project, (2) a project element at risk of delay or high costs, or (3) any new or substantial work proposed after civil construction bidding was completed.

(c) If the commissioner of transportation determines a value analysis is appropriate after reviewing the multiparty peer review application or if the council estimates a project element will exceed

\$20,000,000, the multiparty peer review must convene and produce a value engineering proposal report. The value engineering proposal report must be issued by the multiparty peer review within six months after the multiparty peer review is formed. In addition to the evaluation under section 174.15, subdivision 4, the report must analyze:

- (1) improvements or efficiencies in construction methods;
- (2) improvements to the change order process;
- (3) an evaluation of contractor oversight and best practices;
- (4) improvements or efficiencies in the procurement process; and
- (5) any contractual issues arising from the transit project.

(d) With existing resources, the council is responsible for the costs of conducting and administering the peer review and value engineering proposal.

(e) If a value engineering proposal report is submitted under this section, the report must be submitted within 30 days to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies to bids made on or after October 1, 2023. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 23. [473.46] PROJECT COMPLETION DELAY NOTIFICATION REQUIREMENT.

(a) Notwithstanding the requirements in Laws 2022, chapter 39, section 2, the responsible authority for a light rail transit project must provide status updates on the light rail project to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The status reports must be provided biannually by January 1 and July 1 and must include:

- (1) total expenditures on the project during the previous three months as compared to projections;
- (2) total expenditures on the project during the next three-, six-, and nine-month intervals;
- (3) total expenditures on the project to date;
- (4) the total project cost estimate; and
- (5) any change in the date of anticipated project completion.

(b) The responsible authority must notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance within seven calendar days when:

(1) the authority is deliberating whether a delay in the light rail project completion date of three months or more beyond the estimated completion date is likely to occur; and

(2) the authority is deliberating whether an increase to the total light rail project cost is anticipated to increase by \$50,000,000 or five percent or more above the most recent cost estimate, whichever is less.

(c) A responsible authority providing a status report under this section must initiate a multiparty peer review as provided under section 473.456 and conduct separate value engineering studies for individual project elements expected to cause the delay or increase in project cost within 30 days of filing the status report to the legislature.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies to bids made on or after October 1, 2023. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 24. **[473.461] SETTLEMENT EXPENSES; LEGISLATIVE REPORT.**

If the council is the responsible authority and enters into a settlement agreement with a contractor in association with the construction of a light rail transit project, the council must submit a settlement expenditure notification to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance within 21 calendar days. The settlement expenditure notification must include:

- (1) the terms of the settlement agreement;
- (2) the total expenditure of the settlement agreement;
- (3) whether the settlement agreement will lengthen the timeline for construction of the light rail project;
- (4) whether the settlement agreement resolves all outstanding disputes between the council and the contractor;
- (5) whether the settlement agreement increases estimated project expenses and costs; and
- (6) whether the settlement agreement requires the council to participate in alternative dispute resolution.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies to bids made on or after October 1, 2023. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 25. Minnesota Statutes 2022, section 473.859, is amended by adding a subdivision to read:

Subd. 7. **Climate action plan.** The council must specify how the information in section 473.146, subdivision 5, must be incorporated into comprehensive plan content.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 26. Minnesota Statutes 2022, section 609.855, subdivision 1, is amended to read:

Subdivision 1. **Unlawfully obtaining services; petty misdemeanor.** (a) A person is guilty of a petty misdemeanor who intentionally obtains or attempts to obtain service for himself, herself, or another person from a provider of public transit or from a public conveyance by doing any of the following:

(1) occupies or rides in any public transit vehicle without paying the applicable fare or otherwise obtaining the consent of the transit provider including:

(i) the use of a reduced fare when a person is not eligible for the fare; or

(ii) the use of a fare medium issued solely for the use of a particular individual by another individual;

(2) presents a falsified, counterfeit, photocopied, or other deceptively manipulated fare medium as fare payment or proof of fare payment;

(3) sells, provides, copies, reproduces, or creates any version of any fare medium without the consent of the transit provider; or

(4) puts or attempts to put any of the following into any fare box, pass reader, ticket vending machine, or other fare collection equipment of a transit provider:

(i) papers, articles, instruments, or items other than fare media or currency; or

(ii) a fare medium that is not valid for the place or time at, or the manner in, which it is used.

(b) Where self-service barrier-free fare collection is utilized by a public transit provider, it is a violation of this subdivision to intentionally fail to exhibit proof of fare payment upon the request of an authorized transit representative when entering, riding upon, or leaving a transit vehicle or when present in a designated paid fare zone located in a transit facility.

(c) A person who violates this subdivision must pay a fine of no more than \$10.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to violations committed on or after that date.

Sec. 27. Minnesota Statutes 2022, section 609.855, subdivision 3, is amended to read:

Subd. 3. **Prohibited activities; petty misdemeanor.** (a) ~~A person is guilty of a misdemeanor who, while riding in a vehicle providing public transit service:~~

~~(1) operates a radio, television, tape player, electronic musical instrument, or other electronic device, other than a watch, which amplifies music, unless the sound emanates only from earphones or headphones and except that vehicle operators may operate electronic equipment for official business;~~

~~(2) smokes or carries lighted smoking paraphernalia;~~

~~(3) consumes food or beverages, except when authorized by the operator or other official of the transit system;~~

~~(4) (a) A person who throws or deposits litter; or while riding in a vehicle providing public transit service is guilty of a petty misdemeanor.~~

~~(5) carries or is in control of an animal without the operator's consent.~~

(b) A person is guilty of a violation of this subdivision only if the person continues to act in violation of this subdivision after being warned once by an authorized transit representative to stop the conduct.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to violations committed on or after that date.

Sec. 28. Minnesota Statutes 2022, section 609.855, is amended by adding a subdivision to read:

Subd. 3a. **Prohibited activities; misdemeanor.** (a) A person who performs any of the following while in a transit vehicle or at a transit facility is guilty of a misdemeanor:

(1) smokes, as defined in section 144.413, subdivision 4;

(2) urinates or defecates;

(3) consumes an alcoholic beverage, as defined in section 340A.101, subdivision 2;

(4) damages a transit vehicle or transit facility in a manner that meets the requirements for criminal damage to property in the fourth degree under section 609.595, subdivision 3, and is otherwise not in violation of section 609.595, subdivision 1, 1a, or 2;

(5) performs vandalism, defacement, and placement of graffiti as defined in section 617.90, subdivision 1; or

(6) engages in disorderly conduct as specified in section 609.72, subdivision 1, clause (3).

(b) A peace officer, as defined in section 626.84, subdivision 1, paragraph (c), may order a person to depart a transit vehicle or transit facility for a violation under paragraph (a).

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to violations committed on or after that date.

Sec. 29. Minnesota Statutes 2022, section 609.855, subdivision 7, is amended to read:

Subd. 7. **Definitions.** (a) The definitions in this subdivision apply in this section.

(b) "Public transit" or "transit" has the meaning given in section 174.22, subdivision 7.

(c) "Public transit vehicle" or "transit vehicle" means any vehicle used for the purpose of providing public transit, whether or not the vehicle is owned or operated by a public entity.

(d) "Public transit facilities" or "transit facilities" means any vehicles, equipment, property, structures, stations, improvements, plants, parking or other facilities, or rights that are owned, leased, held, or used for the purpose of providing public transit, whether or not the facility is owned or operated by a public entity.

(e) "Fare medium" means a ticket, smart card, pass, coupon, token, transfer, or other medium sold or distributed by a public transit provider, or its authorized agents, for use in gaining entry to or use of the public transit facilities or vehicles of the provider.

(f) "Proof of fare payment" means a fare medium valid for the place or time at, or the manner in, which it is used. If using a reduced-fare medium, proof of fare payment also includes proper identification demonstrating a person's eligibility for the reduced fare. If using a fare medium issued solely for the use of a particular individual, proof of fare payment also includes an identification document bearing a photographic likeness of the individual and demonstrating that the individual is the person to whom the fare medium is issued.

(g) "Authorized transit representative" means the person authorized by the transit provider to operate the transit vehicle, a peace officer, a transit official under section 473.4075, subdivision 1, or any other person designated by the transit provider as an authorized transit ~~provider~~ representative under this section.

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

Sec. 30. Laws 2021, First Special Session chapter 5, article 4, section 143, is amended to read:

Sec. 143. STUDY ON POST-COVID PANDEMIC PUBLIC TRANSPORTATION.

(a) ~~From funds specified under Minnesota Statutes, section 161.53, paragraph (b), the commissioner of transportation~~ Using existing resources, the Metropolitan Council must arrange and pay for a study by the Center for Transportation Studies at the University of Minnesota that examines public transportation after the COVID-19 pandemic is substantially curtailed in the United States. At a minimum, the study must:

(1) focus primarily on transit service ~~for commuters in~~ throughout the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2;

(2) specifically review Northstar Commuter Rail and commuter-oriented transit service by the Metropolitan Council and by the suburban transit providers; and

(3) provide analysis and projections for the public transit system in the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, on anticipated changes in:

(i) ridership;

(ii) demand for different modes and forms of active and public transportation;

(iii) transit service levels and features;

(iv) revenue and expenditures; and

(v) long-term impacts.

(b) By ~~February~~ October 1, 2023 2024, the ~~commissioner~~ chair of the Metropolitan Council must provide a copy of the study to the members of the legislative committees with jurisdiction over transportation policy and finance.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 31. Laws 2022, chapter 39, section 2, is amended to read:

Sec. 2. SOUTHWEST LIGHT RAIL TRANSIT; EXPENDITURES AND SCHEDULE.

(a) Annually by January 1 and July 1, the Metropolitan Council must provide status updates on the Southwest light rail transit project to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. Each status update must include:

- (1) total expenditures on the project during the previous six months as compared to projections;
- (2) total expenditures on the project anticipated over the next six months; ~~and~~
- (3) total expenditures on the project to date;
- (4) the total project cost estimate; and
- (5) any change in the date of anticipated project completion.

(b) The Metropolitan Council must notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance within seven calendar days of making a determination that:

- (1) the anticipated Southwest light rail project completion date is delayed by six months or more beyond the estimated completion date determined as of the effective date of this section;
- (2) the anticipated Southwest light rail project completion date is delayed by six months or more beyond the most recent estimated completion date;
- (3) the total Southwest light rail project cost is anticipated to increase by five percent or more above the project cost estimate determined as of the effective date of this section; or
- (4) the total Southwest light rail project cost is anticipated to increase by five percent or more above the most recent cost estimate.

(c) On a monthly basis and at least 30 days prior to making an expenditure for the Southwest light rail transit project, the Metropolitan Council must submit an expenditure notification for review and comment to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance and to the members of the Legislative Commission on Metropolitan Government. A notification must include the following for each expenditure or for a subtotal of related expenditures:

- (1) the expenditure or subtotal amount;
- (2) the specific standard cost category; and
- (3) identification or a brief summary of the nature of the expenditure.

(d) It is the intent of the legislature that the requirements in paragraph (c) are repealed following enactment of substantive changes to the governance structure of the Metropolitan Council.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies to expenditures made on or after October 1, 2023. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 32. **BLUE LINE LIGHT RAIL EXTENSION ENGAGEMENT MEETINGS.**

(a) The Blue Line light rail extension project office must, at least quarterly, organize and facilitate community engagement meetings in consultation with community groups located along the Blue Line extension alignment route, including the Lyn Park community. Information requested by community groups in the meetings or in correspondence to the project office must be supplied in a timely manner, and, if practicable, before the next quarterly meeting. Information, concerns, and requests presented by the community at the community engagement meetings or provided directly to the extension project office must be documented in the official meeting minutes and must be provided to the project Corridor Management Committee and posted on the Blue Line extension project website.

(b) Representatives from the Metropolitan Council, Hennepin County, and the Department of Transportation must participate in the community engagement meetings and all other meetings relating to antidisplacement initiatives connected to the Blue Line light rail extension project. Representatives from the cities of Minneapolis, Robbinsdale, Crystal, and Brooklyn Park must attend meetings that occur in their respective cities, attend all meetings relating to antidisplacement initiatives, and attend other project-related meetings as requested.

(c) By July 1, 2023, the Blue Line light rail extension project office must coordinate with community groups to establish a framework for community engagement meetings. The framework must at a minimum include project information, light rail impacts on and opportunities for businesses and residents, and business mitigation and antidisplacement strategies. The framework must also include a process for community feedback on project design options.

(d) State funds for the Blue Line light rail extension project must be available no sooner than August 1, 2023.

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

Sec. 33. **BLUE LINE LIGHT RAIL EXTENSION ROUTE ALIGNMENT CONSULTATION.**

The commissioner of transportation and the city of Minneapolis must consult with the Metropolitan Council and Hennepin County to evaluate the possible redesign of Interstate Highway 94, 10th Avenue, or Washington Avenue between downtown Minneapolis and West Broadway Avenue for a possible route of the Blue Line light rail extension project in the area between Interstate Highway 94 and the Mississippi River. All cities along the corridor must have the opportunity to present their concerns and proposals to the Blue Line extension project's Corridor Management Committee for consideration.

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

Sec. 34. **METROPOLITAN COUNCIL CHARTER COMMISSION.**

Subdivision 1. **Appointments.** Within 30 days of the effective date of this section, the chief judge of Ramsey County shall appoint 11 individuals from the counties under the jurisdiction of the Metropolitan Council who have expertise in regional governance and the law to serve as members of the charter commission.

Subd. 2. **Terms.** Members of the charter commission shall hold office until February 15, 2024. Vacancies shall be filled by the appointing authority. Appointments shall be made by filing with the Metropolitan Council. An appointee shall file acceptance of the appointment with the Metropolitan Council within ten days or be considered to have declined the appointment.

Subd. 3. **Chair; rules.** The charter commission shall meet within 30 days after the initial appointment, elect a chair, and establish rules, including quorum requirements, for its operation and procedures.

Subd. 4. **Expenses and administration.** The members of the charter commission shall receive no compensation except reimbursement for expenses actually incurred in the course of their duties. The Metropolitan Council shall make an appropriation to the charter commission to be used to employ research and clerical assistance, for supplies, and to meet expenses considered necessary by the charter commission. The charter commission shall have the right to request and receive assistance from the Metropolitan Council staff.

Subd. 5. **Powers and duties.** The charter commission shall frame a proposed charter to provide for the governance structure of the Metropolitan Council. In framing the proposed charter, the charter commission may consult with external experts and scholars. The charter commission shall review and analyze the existing powers, authorities, and responsibilities of the Metropolitan Council, and notwithstanding any law to the contrary, determine that the proposed charter provisions include modifications to existing authority and governance, including the requirement that the Metropolitan Council members be elected. The charter commission shall determine when and the process by which the proposed charter is submitted to the voters affected by the charter.

Subd. 6. **Report.** The charter commission shall provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over Metropolitan Council governance by February 15, 2024. The report shall contain the proposed charter, the process and timing of submitting the proposed charter to the voters, and necessary amendments to state law to effectuate the proposed charter.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 35. **MASS TRANSIT REPORTS; RIDERSHIP; CRIME.**

(a) The Metropolitan Council must post on the council's website a monthly report, including ridership statistics for each guideway and busway in revenue operation. In each report, the council must also include the ridership projections made at the time of the full funding grant agreement for each guideway and busway. The council must post each monthly report within 60 days after the end of that month. The council must ensure that a report is available on the council's website for a minimum of five years after the report is posted.

(b) The council must post on the council's website a quarterly report, including crime statistics for crimes occurring on a light rail transit vehicle, bus, commuter rail car, or at any transit platform, stop, or facility. The report must break down the data by mode of transit and type of crime. The council must ensure that a report is available on the council's website for a minimum of five years after the report is posted.

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

Sec. 36. **METRO MOBILITY ENHANCEMENT PILOT PROGRAM.**

Subdivision 1. **Definition.** For purposes of this section, "pilot program" means the Metro Mobility enhancement pilot program established in this section.

Subd. 2. **Establishment.** Subject to available funds, the Metropolitan Council must implement a pilot program to enhance the existing service levels of Metro Mobility under Minnesota Statutes, section 473.386.

Subd. 3. **Requirements.** The pilot program must:

(1) commence by September 1, 2023, and operate until December 31, 2025;

(2) provide for advanced scheduling of enhanced Metro Mobility service;

(3) to the extent feasible, provide service outside of the current Metro Mobility hours of service, as follows:

(i) on weekdays from 6:00 a.m. to 10:00 p.m.;

(ii) on Saturdays from 7:00 a.m. to 11:00 p.m.; and

(iii) on Sundays from 7:00 a.m. to 10:00 p.m.;

(4) cover the entirety of the geographic area specified in Minnesota Statutes, section 473.386, subdivision 3, clause (9); and

(5) establish rider eligibility and fares in a manner that is substantially comparable to the requirements under Metro Mobility.

Subd. 4. **Legislative report.** By February 1, 2026, the Metropolitan Council must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance concerning the pilot program. At a minimum, the report must:

(1) summarize pilot program implementation;

(2) provide a fiscal review that identifies uses of funds;

(3) analyze results under the pilot program, including improvements to service and customer experience;

(4) evaluate accessibility impacts and constraints for riders who use a wheelchair or otherwise require specialized equipment or service;

(5) consider service models, technologies, partnership models, and anticipated industry changes;

(6) identify findings, practices, and considerations for replication in communities throughout the state;

(7) review any modifications under consideration, planned, or implemented for the Metro Mobility program; and

(8) make any recommendations on service improvements related to Metro Mobility, including fiscal implications.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 37. **METROPOLITAN COUNCIL; LAND USE STUDY.**

Subdivision 1. **Definitions.** The definitions provided in Minnesota Statutes, section 473.121, apply to this section.

Subd. 2. **Metropolitan land use study.** The Metropolitan Council must conduct and complete a metropolitan land use and transportation policy study on or before June 30, 2024, that analyzes the degree to which current land use and transportation policies in the metropolitan area support or hinder state and local governmental unit transportation, environmental, greenhouse gas emissions, and equity goals. The study must be used to inform the 2050 comprehensive development guide for the metropolitan area.

Subd. 3. **Study contents.** The study under this section must include:

(1) a comparison of current land use policies in the metropolitan area with alternative growth development scenarios, including efficient land use and compact growth;

(2) a determination of the costs to local and regional metropolitan area government services to implement efficient land use policies, including the costs to construct and maintain transportation and water infrastructure and emergency services;

(3) an analysis of how implementation of efficient land use policies would reduce future costs to local and regional metropolitan area government with regard to transportation and water infrastructure and emergency services;

(4) an assessment of transportation and related infrastructure necessary to facilitate efficient land use policies, including but not limited to estimations of road lane miles, utility miles, and land acreage necessary to facilitate such policies;

(5) an analysis of sewer access and water access charges and policies, including an analysis of the differences in the charges between property classifications and charges in urban, suburban, and rural areas;

(6) the estimated impact implementation of efficient land use policies would have on vehicle miles traveled, access to jobs in essential services, transit viability, and commute modal share in the metropolitan area; and

(7) any other data or analyses the Metropolitan Council deems relevant.

Subd. 4. **Report.** The Metropolitan Council must submit a copy of the study under this section to the chairs and ranking minority members of the legislative committees with jurisdiction over local government and transportation policy and finance by February 1, 2025.

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

Sec. 38. **TRANSIT SERVICE INTERVENTION PROJECT.**

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

(b) "Council" means the Metropolitan Council established under Minnesota Statutes, chapter 473.

(c) "Intervention project" means the transit service intervention project established in this section.

Subd. 2. **Establishment.** A transit service intervention project is established to provide coordinated, high-visibility interventions on light rail transit lines that provide for enhanced social services outreach and engagement, code of conduct regulation, and law enforcement.

Subd. 3. **Project management.** The council must implement the intervention project.

Subd. 4. **Participating organizations.** The council must seek the participation of the following entities to provide for coordination on the intervention project:

- (1) the Department of Human Services;
- (2) the Department of Public Safety;
- (3) the Minnesota State Patrol;
- (4) the Metropolitan Council;
- (5) the Metro Transit Police Department;
- (6) each county within which a light rail transit line operates;
- (7) each city within which a light rail transit line operates;
- (8) the Metropolitan Airports Commission;
- (9) the National Alliance on Mental Illness Minnesota;
- (10) the exclusive representative of transit vehicle operators; and

(11) other interested community-based social service organizations.

Subd. 5. **Duties.** (a) In collaboration with the participating organizations under subdivision 4, the council must:

(1) establish social services intervention teams that consist of social services personnel and personnel from nonprofit organizations having mental health services or support capacity to perform on-site social services engagement with:

(i) transit riders experiencing homelessness;

(ii) transit riders with substance use disorders or mental or behavioral health disorders; or

(iii) a combination of items (i) and (ii);

(2) establish coordinated intervention teams that consist of personnel under clause (1), community service officers, and peace officers;

(3) implement interventions in two phases as follows:

(i) by June 1, 2023, and for a period of three weeks, deploy the social services intervention teams on a mobile basis on light rail transit lines and facilities; and

(ii) beginning at the conclusion of the period under item (i), and for a period of at least nine weeks, deploy the coordinated intervention teams on a mobile basis on light rail transit lines and facilities, utilizing both social services and law enforcement partners; and

(4) evaluate impacts of the intervention teams related to social services outreach, code of conduct violations, and rider experience.

(b) Social services engagement under paragraph (a) includes but is not limited to providing outreach, preliminary assessment and screening, information and resource sharing, referral or connections to service providers, assistance in arranging for services, and precrisis response.

Subd. 6. **Administration.** Using existing resources, the council must provide staff assistance and administrative support for the project.

Subd. 7. **Reports.** By the 15th of each month, the council must submit a status report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. At a minimum, each report must include:

(1) a summary of activities under the intervention project;

(2) a fiscal review of expenditures; and

(3) analysis of impacts and outcomes related to social services outreach, violations under Minnesota Statutes, sections 473.4065 and 609.855, and rider experience.

Subd. 8. **Expiration.** This section expires June 30, 2024.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

ARTICLE 7

NONMOTORIZED AND ACTIVE TRANSPORTATION

Section 1. Minnesota Statutes 2022, section 123B.90, subdivision 2, is amended to read:

Subd. 2. **Student training.** (a) Each district must provide public school pupils enrolled in kindergarten through grade 10 with age-appropriate school bus safety training, as described in this section, of the following concepts:

- (1) transportation by school bus is a privilege and not a right;
- (2) district policies for student conduct and school bus safety;
- (3) appropriate conduct while on the school bus;
- (4) the danger zones surrounding a school bus;
- (5) procedures for safely boarding and leaving a school bus;
- (6) procedures for safe street or road crossing; and
- (7) school bus evacuation.

(b) Each nonpublic school located within the district must provide all nonpublic school pupils enrolled in kindergarten through grade 10 who are transported by school bus at public expense and attend school within the district's boundaries with training as required in paragraph (a).

(c) Students enrolled in kindergarten through grade 6 who are transported by school bus and are enrolled during the first or second week of school must receive the school bus safety training competencies by the end of the third week of school. Students enrolled in grades 7 through 10 who are transported by school bus and are enrolled during the first or second week of school and have not previously received school bus safety training must receive the training or receive bus safety instructional materials by the end of the sixth week of school. Students taking driver's training instructional classes must receive training in the laws and proper procedures when operating a motor vehicle in the vicinity of a school bus as required by section 169.446, subdivisions 2 and 3. Students enrolled in kindergarten through grade 10 who enroll in a school after the second week of school and are transported by school bus and have not received training in their previous school district shall undergo school bus safety training or receive bus safety instructional materials within four weeks of the first day of attendance. Upon request of the superintendent of schools, the school transportation safety director in each district must certify to the superintendent that all students transported by school bus within the district have received the school bus safety training according to this section. Upon request of the superintendent of the school district where the nonpublic school is located, the principal or other chief administrator of each nonpublic school must certify to the

school transportation safety director of the district in which the school is located that the school's students transported by school bus at public expense have received training according to this section.

(d) A district and a nonpublic school with students transported by school bus at public expense may provide kindergarten pupils with bus safety training before the first day of school.

~~(e) A district and a nonpublic school with students transported by school bus at public expense may also provide student safety education for bicycling and pedestrian safety, for students enrolled in kindergarten through grade 5.~~

~~(f)~~(e) A district and a nonpublic school with students transported by school bus at public expense must make reasonable accommodations for the school bus safety training of pupils known to speak English as a second language and pupils with disabilities.

~~(g)~~(f) The district and a nonpublic school with students transported by school bus at public expense must provide students enrolled in kindergarten through grade 3 school bus safety training twice during the school year.

~~(h)~~(g) A district and a nonpublic school with students transported by school bus at public expense must conduct a school bus evacuation drill at least once during the school year.

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

Sec. 2. [123B.935] ACTIVE TRANSPORTATION SAFETY TRAINING.

Subdivision 1. Training required. (a) Each district must provide public school pupils enrolled in kindergarten through grade 3 with age-appropriate active transportation safety training. At a minimum, the training must include pedestrian safety, including crossing roads.

(b) Each district must provide public school pupils enrolled in grades 4 through 8 with age-appropriate active transportation safety training. At a minimum, the training must include:

(1) pedestrian safety, including crossing roads safely using the searching left, right, left for vehicles in traffic technique; and

(2) bicycle safety, including relevant traffic laws, use and proper fit of protective headgear, bicycle parts and safety features, and safe biking techniques.

(c) A nonpublic school may provide nonpublic school pupils enrolled in kindergarten through grade 8 with training as specified in paragraphs (a) and (b).

Subd. 2. Deadlines. (a) Students under subdivision 1, paragraph (a), who are enrolled during the first or second week of school and have not previously received active transportation safety training specified in that paragraph must receive the safety training by the end of the third week of school.

(b) Students under subdivision 1, paragraph (b), who are enrolled during the first or second week of school and have not previously received active transportation safety training specified in that paragraph must receive the safety training by the end of the sixth week of school.

(c) Students under subdivision 1, paragraph (a) or (b), who enroll in a school after the second week of school and have not received the appropriate active transportation safety training in their previous school district must undergo the training or receive active transportation safety instructional materials within four weeks of the first day of attendance.

(d) A district and a nonpublic school may provide kindergarten pupils with active transportation safety training before the first day of school.

Subd. 3. **Instruction.** (a) A district may provide active transportation safety training through distance learning.

(b) A district and a nonpublic school must make reasonable accommodations for the active transportation safety training of pupils known to speak English as a second language and pupils with disabilities.

Subd. 4. **Model program.** The commissioner of transportation must maintain a comprehensive collection of active transportation safety training materials that meets the requirements under this section.

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

Sec. 3. Minnesota Statutes 2022, section 160.262, subdivision 3, is amended to read:

Subd. 3. **Cooperation among agencies and governments.** (a) The departments and agencies on the active transportation advisory committee identified in section 174.375 must provide information and advice for the bikeway design guidelines maintained by the commissioner.

(b) The commissioner must provide technical assistance to local units of government in:

(1) local planning and development of bikeways;

(2) establishing connections to state bicycle routes; and

(3) implementing statewide bicycle plans maintained by the commissioner.

(c) The commissioner may cooperate with and enter into agreements with the United States government, any department of the state of Minnesota, any unit of local government, any tribal government, or any public or private corporation in order to effect the purposes of this section.

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

Sec. 4. Minnesota Statutes 2022, section 160.266, subdivision 1b, is amended to read:

Subd. 1b. **State bicycle routes.** The commissioner of transportation must identify state bicycle routes primarily on existing road right-of-way and trails. State bicycle routes must be identified in cooperation with road and trail authorities, including the commissioner of natural resources, and with the advice of the active transportation advisory committee under section 174.375. In a metropolitan area, state bicycle routes must be identified in coordination with the plans and priorities established by metropolitan planning organizations, as defined in United States Code, title 23, section 134.

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

Sec. 5. Minnesota Statutes 2022, section 160.266, subdivision 6, is amended to read:

Subd. 6. **Mississippi River Trail.** The Mississippi River Trail bikeway is designated as a state bicycle route. It must originate at Itasca State Park in Clearwater, Beltrami, and Hubbard Counties, then generally parallel the Mississippi River through the cities of Bemidji in Beltrami County, Grand Rapids in Itasca County, Brainerd in Crow Wing County, Little Falls in Morrison County, Sauk Rapids in Benton County, St. Cloud in Stearns County, Minneapolis in Hennepin County, St. Paul in Ramsey County, Hastings in Dakota County, Red Wing in Goodhue County, Wabasha in Wabasha County, Winona in Winona County, and La Crescent in Houston County to Minnesota's boundary with Iowa and there terminate. Where opportunities exist, the bikeway may be designated on both sides of the Mississippi River.

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

Sec. 6. Minnesota Statutes 2022, section 160.266, is amended by adding a subdivision to read:

Subd. 7. **Jim Oberstar Bikeway.** The Jim Oberstar Bikeway is designated as a state bicycle route. It must originate in the city of St. Paul in Ramsey County, then proceed north and east to Duluth in St. Louis County, then proceed north and east along the shore of Lake Superior through Grand Marais in Cook County to Minnesota's boundary with Canada, and there terminate.

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

Sec. 7. Minnesota Statutes 2022, section 169.18, subdivision 3, is amended to read:

Subd. 3. **Passing.** ~~The following rules shall govern the overtaking and passing of vehicles proceeding in the same direction, subject to the limitations, exceptions, and special rules hereinafter stated:~~

~~(1) (a) The driver of a vehicle overtaking another vehicle proceeding in the same direction shall must pass to the left thereof of the other vehicle at a safe distance and shall not again drive is prohibited from returning to the right side of the roadway until safely clear of the overtaken vehicle;~~

~~(2) (b) Except when overtaking and passing on the right is permitted, the driver of an overtaken vehicle shall must give way to the right in favor of the overtaking vehicle on audible warning, and shall must not increase the speed of the overtaken vehicle until completely passed by the overtaking vehicle; and.~~

~~(3) (c) The operator of a motor vehicle overtaking a bicycle or individual proceeding in the same direction on the roadway shall leave or shoulder must:~~

~~(1) either:~~

~~(i) maintain a safe clearance distance while passing, but in no case less than which must be at least the greater of three feet clearance, when passing the bicycle or individual or one-half the width of the motor vehicle; or~~

~~(ii) completely enter another lane of the roadway while passing; and shall~~

(2) maintain clearance until the motor vehicle has safely past passed the overtaken bicycle or individual.

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

Sec. 8. Minnesota Statutes 2022, section 169.222, subdivision 4, is amended to read:

Subd. 4. **Riding rules.** (a) Every person operating a bicycle ~~upon a roadway shall~~ on a road must ride as close as practicable to the right-hand curb or edge of the roadway except under any of the following situations road as the bicycle operator determines is safe. A person operating a bicycle is not required to ride as close to the right-hand curb or edge when:

(1) ~~when~~ overtaking and passing another vehicle proceeding in the same direction;

(2) ~~when~~ preparing for a left turn at an intersection or into a private road or driveway;

(3) ~~when~~ reasonably necessary to avoid conditions that make it unsafe to continue along the right-hand curb or edge, including fixed or moving objects, vehicles, pedestrians, animals, surface hazards, or narrow-width narrow-width lanes, that make it unsafe to continue along the right hand curb or edge; or;

(4) ~~when~~ operating on the shoulder of a roadway or in a bicycle lane; or

(5) operating in a right-hand turn lane before entering an intersection.

(b) If a bicycle is traveling on a shoulder of a roadway, the bicycle ~~shall~~ operator must travel in the same direction as adjacent vehicular traffic.

(c) Persons riding bicycles upon a roadway or shoulder ~~shall~~ must not ride more than two abreast and ~~shall not impede the normal and reasonable movement of traffic and,~~ on a laned roadway, shall ride within a single lane.

(d) A person operating a bicycle upon a sidewalk, or across a roadway or shoulder on a crosswalk, ~~shall~~ must yield the right-of-way to any pedestrian and ~~shall~~ give an audible signal when necessary before overtaking and passing any pedestrian. ~~No~~ A person ~~shall~~ must not ride a bicycle upon a sidewalk within a business district unless permitted by local authorities. Local authorities may prohibit the operation of bicycles on any sidewalk or crosswalk under their jurisdiction.

(e) An individual operating a bicycle or other vehicle on a bikeway ~~shall~~ must (1) give an audible signal a safe distance prior to overtaking a bicycle or individual, (2) leave a safe clearance distance when overtaking a bicycle or individual proceeding in the same direction on the bikeway, and ~~shall~~ (3) maintain clearance until safely past the overtaken bicycle or individual.

(f) Notwithstanding section 169.06, subdivision 4, a bicycle operator may cross an intersection proceeding from the leftmost one-third of a dedicated right-hand turn lane without turning right.

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

Sec. 9. Minnesota Statutes 2022, section 169.222, is amended by adding a subdivision to read:

Subd. 4a. **Stopping requirements.** (a) For purposes of this subdivision, "in the vicinity" means located in an intersection or approaching an intersection in a manner that constitutes a hazard of collision during the time that a bicycle operator would occupy the intersection.

(b) A bicycle operator who approaches a stop sign must slow to a speed that allows for stopping before entering the intersection or the nearest crosswalk. Notwithstanding subdivision 1 and section 169.06, subdivision 4, if there is not a vehicle in the vicinity, the operator may make a turn or proceed through the intersection without stopping.

(c) A bicycle operator who approaches a traffic-control signal with a steady red indication, including a circular red signal or red arrow signal, must slow to a speed that allows for stopping before entering the intersection or the nearest crosswalk. Notwithstanding subdivision 1 and section 169.06, subdivision 5, if there is not a vehicle in the vicinity, the operator:

(1) may make a right-hand turn, or a left-hand turn onto a one-way roadway, without stopping; and

(2) must otherwise perform a complete stop and then may make a turn or proceed through the intersection before the traffic-control signal indication changes to green.

(d) Nothing in this subdivision alters the right-of-way requirements under section 169.20. The provisions under this subdivision do not apply when traffic is controlled by a peace officer or a person authorized to control traffic under section 169.06.

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

Sec. 10. **[174.375] ACTIVE TRANSPORTATION ADVISORY COMMITTEE.**

Subdivision 1. **Committee established; duties.** (a) The commissioner of transportation must establish an active transportation advisory committee. The advisory committee must make recommendations to the commissioner on items related to:

(1) active transportation, including safety, education, and development programs;

(2) the active transportation program under section 174.38; and

(3) the safe routes to school program under section 174.40.

(b) The committee must review and analyze issues and needs relating to active transportation on public rights-of-way and identify solutions and goals for addressing identified issues and needs.

(c) For purposes of this section, "active transportation" includes bicycling, pedestrian activities, and other forms of nonmotorized transportation.

Subd. 2. **Membership.** (a) The advisory committee consists of the members specified in this subdivision.

(b) The commissioner of transportation must appoint up to 18 public members as follows: one member from each of the department's seven greater Minnesota districts; four members from the

department's metropolitan district; and no more than seven members at large. Each of the members at large must represent nonmotorized interests or organizations.

(c) The commissioners of each of the following state agencies must appoint an employee of the agency to serve as a member: administration, education, health, natural resources, public safety, transportation, and pollution control. The chair of the Metropolitan Council must appoint an employee of the council to serve as a member. The director of Explore Minnesota Tourism must appoint an employee of the agency to serve as a member.

(d) The division administrator of the Federal Highway Administration may appoint an employee of the agency to serve as a member.

(e) Each member of the committee serves a four-year term at the pleasure of the appointing authority.

(f) The committee must select a chair from its membership.

Subd. 3. **Meetings; staffing.** (a) The advisory committee must establish a meeting schedule and meet at least annually.

(b) The commissioner of transportation must provide department staff support to the advisory committee.

Subd. 4. **Expenses.** (a) Members of the advisory committee serve without compensation, but members who are not employees of government agencies must be reimbursed for expenses in the same manner and amount as authorized by the commissioner's plan adopted under section 43A.18, subdivision 2.

(b) To provide compensation under paragraph (a), the commissioner of transportation may expend the amount necessary from general fund appropriations.

Subd. 5. **Reports.** The advisory committee must submit an annual report to the commissioner of transportation.

Subd. 6. **Expiration.** The advisory committee expires June 30, 2033.

EFFECTIVE DATE. This section is effective the day following final enactment. The commissioner of transportation must convene the first meeting by October 15, 2023.

Sec. 11. Minnesota Statutes 2022, section 174.38, subdivision 6, is amended to read:

Subd. 6. **Use of funds.** (a) The commissioner must determine permissible uses of financial assistance under this section, which are limited to:

(1) construction and maintenance of bicycle, trail, and pedestrian infrastructure, including but not limited to safe routes to school infrastructure and bicycle facilities and centers; and

(2) noninfrastructure programming, including activities as specified in section 174.40, subdivision 7a, paragraph (b).

(b) Of the amount made available in each fiscal year, the first \$500,000 is for grants to develop, maintain, and implement active transportation safety curriculum for youth ages five to 14 years old, and if remaining funds are available, for (1) youth ages 15 to 17 years old, (2) adult active transportation safety programs, and (3) adult learn-to-ride programs. The curriculum must include resources for teachers and must meet the model training materials requirements under section 123B.935, subdivision 4.

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

ARTICLE 8

MISCELLANEOUS

Section 1. Minnesota Statutes 2022, section 3.9741, subdivision 5, is amended to read:

Subd. 5. **State Data security; account; appropriation.** ~~(a)~~ The data security account is created in the special revenue fund. Receipts credited to the account are appropriated to the legislative auditor.

~~(b) Subject to available funds appropriated under paragraph (a), the legislative auditor shall:~~

~~(1) review and audit the audit reports of subscribers and requesters submitted under section 168.327, subdivision 6, including producing findings and opinions;~~

~~(2) in collaboration with the commissioner and affected subscribers and requesters, recommend corrective action plans to remediate any deficiencies identified under clause (1); and~~

~~(3) review and audit driver records subscription services and bulk data practices of the Department of Public Safety, including identifying any deficiencies and making recommendations to the commissioner.~~

~~(c) The legislative auditor shall submit any reports, findings, and recommendations under this subdivision to the legislative commission on data practices.~~

Sec. 2. [4.076] ADVISORY COUNCIL ON TRAFFIC SAFETY.

Subdivision 1. **Definition.** For purposes of this section, "advisory council" means the Advisory Council on Traffic Safety established in this section.

Subd. 2. **Establishment.** (a) The Advisory Council on Traffic Safety is established to advise, consult with, assist in planning coordination, and make program recommendations to the commissioners of public safety, transportation, and health on the development and implementation of projects and programs intended to improve traffic safety on all Minnesota road systems.

(b) The advisory council serves as the lead for the state Toward Zero Deaths program.

Subd. 3. **Membership; chair.** (a) The advisory council consists of the following members:

(1) the chair, which is filled on a two-year rotating basis by a designee from:

- (i) the Office of Traffic Safety in the Department of Public Safety;
- (ii) the Office of Traffic Engineering in the Department of Transportation; and
- (iii) the Injury and Violence Prevention Section in the Department of Health;
- (2) two vice chairs, which must be filled by the two designees who are not currently serving as chair of the advisory council under clause (1);
- (3) the statewide Toward Zero Deaths coordinator;
- (4) a regional coordinator from the Toward Zero Deaths program;
- (5) the chief of the State Patrol or a designee;
- (6) the state traffic safety engineer in the Department of Transportation or a designee;
- (7) a law enforcement liaison from the Department of Public Safety;
- (8) a representative from the Department of Human Services;
- (9) a representative from the Department of Education;
- (10) a representative from the Council on Disability;
- (11) a representative for Tribal governments;
- (12) a representative from the Center for Transportation Studies at the University of Minnesota;
- (13) a representative from the Minnesota Chiefs of Police Association;
- (14) a representative from the Minnesota Sheriffs' Association;
- (15) a representative from the Minnesota Safety Council;
- (16) a representative from AAA Minnesota;
- (17) a representative from the Minnesota Trucking Association;
- (18) a representative from the Insurance Federation of Minnesota;
- (19) a representative from the Association of Minnesota Counties;
- (20) a representative from the League of Minnesota Cities;
- (21) the American Bar Association State Judicial Outreach Liaison;
- (22) a representative from the City Engineers Association of Minnesota;
- (23) a representative from the Minnesota County Engineers Association;
- (24) a representative from the Bicycle Alliance of Minnesota;

(25) two individuals representing vulnerable road users, including pedestrians, bicyclists, and other operators of a personal conveyance;

(26) a representative from Minnesota Operation Lifesaver;

(27) a representative from the Minnesota Driver and Traffic Safety Education Association;

(28) a representative from the Minnesota Association for Pupil Transportation;

(29) a representative from the State Trauma Advisory Council;

(30) a person representing metropolitan planning organizations; and

(31) a person representing contractors engaged in construction and maintenance of highways and other infrastructure.

(b) The commissioners of public safety and transportation must jointly appoint the advisory council members under paragraph (a), clauses (11), (25), (30), and (31).

Subd. 4. **Duties.** The advisory council must:

(1) advise the governor and heads of state departments and agencies on policies, programs, and services affecting traffic safety;

(2) advise the appropriate representatives of state departments on the activities of the Toward Zero Deaths program, including but not limited to educating the public about traffic safety;

(3) encourage state departments and other agencies to conduct needed research in the field of traffic safety;

(4) review recommendations of the subcommittees and working groups;

(5) review and comment on all grants dealing with traffic safety and on the development and implementation of state and local traffic safety plans; and

(6) make recommendations on safe road zone safety measures under section 169.065.

Subd. 5. **Administration.** (a) The Office of Traffic Safety in the Department of Public Safety, in cooperation with the Departments of Transportation and Health, must serve as the host agency for the advisory council and must manage the administrative and operational aspects of the advisory council's activities. The commissioner of public safety must perform financial management on behalf of the council.

(b) The advisory council must meet no less than four times per year, or more frequently as determined by the chair, a vice chair, or a majority of the council members. The advisory council is subject to chapter 13D.

(c) The chair must regularly report to the respective commissioners on the activities of the advisory council and on the state of traffic safety in Minnesota.

(d) The terms, compensation, and appointment of members are governed by section 15.059.

(e) The advisory council may appoint subcommittees and working groups. Subcommittees must consist of council members. Working groups may include nonmembers. Nonmembers on working groups must be compensated pursuant to section 15.059, subdivision 3, only for expenses incurred for working group activities.

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

Sec. 3. Minnesota Statutes 2022, section 13.69, subdivision 1, is amended to read:

Subdivision 1. **Classifications.** (a) The following government data of the Department of Public Safety are private data:

(1) medical data on driving instructors, licensed drivers, and applicants for parking certificates and special license plates issued to physically disabled persons;

(2) other data on holders of a disability certificate under section 169.345, except that (i) data that are not medical data may be released to law enforcement agencies, and (ii) data necessary for enforcement of sections 169.345 and 169.346 may be released to parking enforcement employees or parking enforcement agents of statutory or home rule charter cities and towns;

(3) Social Security numbers in driver's license and motor vehicle registration records, except that Social Security numbers must be provided to the Department of Revenue for purposes of debt collection and tax administration, the Department of Labor and Industry for purposes of workers' compensation administration and enforcement, the judicial branch for purposes of debt collection, and the Department of Natural Resources for purposes of license application administration, and except that the last four digits of the Social Security number must be provided to the Department of Human Services for purposes of recovery of Minnesota health care program benefits paid; ~~and~~

(4) data on persons listed as standby or temporary custodians under section 171.07, subdivision 11, except that the data must be released to:

(i) law enforcement agencies for the purpose of verifying that an individual is a designated caregiver; or

(ii) law enforcement agencies who state that the license holder is unable to communicate at that time and that the information is necessary for notifying the designated caregiver of the need to care for a child of the license holder; and

(5) race and ethnicity data on driver's license holders and identification card holders under section 171.06, subdivision 3. The Department of Public Safety Office of Traffic Safety is authorized to receive race and ethnicity data from Driver and Vehicle Services for only the purposes of research, evaluation, and public reports.

The department may release the Social Security number only as provided in clause (3) and must not sell or otherwise provide individual Social Security numbers or lists of Social Security numbers for any other purpose.

(b) The following government data of the Department of Public Safety are confidential data: data concerning an individual's driving ability when that data is received from a member of the individual's family.

EFFECTIVE DATE. This section is effective July 1, 2023, except that paragraph (a), clause (5), is effective for driver's license and identification card applications received on or after January 1, 2024.

Sec. 4. Minnesota Statutes 2022, section 13.6905, is amended by adding a subdivision to read:

Subd. 37. Oil and other hazardous substances transportation data. (a) Certain data on oil and other hazardous substances transported by railroads are governed by section 219.055, subdivision 8.

(b) Certain data on oil and other hazardous substances transportation incident reviews are governed by section 299A.55, subdivision 5.

Sec. 5. Minnesota Statutes 2022, section 115E.042, subdivision 2, is amended to read:

Subd. 2. Training. (a) Each railroad must offer training to each fire department and each local organization for emergency management under section 12.25 having jurisdiction along the route of unit trains. Initial training under this subdivision must be offered to each fire department by June 30, 2016, and routes over which the railroad transports oil or other hazardous substances. Refresher training must be offered to each fire department and local organization for emergency management at least once every three years thereafter after initial training under this subdivision.

(b) The training must address the general hazards of oil and hazardous substances, techniques to assess hazards to the environment and to the safety of responders and the public, factors an incident commander must consider in determining whether to attempt to suppress a fire or to evacuate the public and emergency responders from an area, and other strategies for initial response by local emergency responders. The training must include suggested protocol or practices for local responders to safely accomplish these tasks methods to identify rail cars and hazardous substance contents, responder safety issues, rail response tactics, public notification and evacuation considerations, environmental contamination response, railroad response personnel and resources coordination at an incident, and other protocols and practices for safe initial local response as required under subdivision 4, including the notification requirements and the responsibilities of an incident commander during a rail incident involving oil or other hazardous substances, as provided in subdivisions 3 and 4.

Sec. 6. Minnesota Statutes 2022, section 115E.042, subdivision 3, is amended to read:

Subd. 3. Emergency response planning; coordination. ~~Beginning June 30, 2015,~~ (a) Each railroad must communicate at least annually with each county or city applicable emergency manager, safety representatives of railroad employees governed by the Railway Labor Act, and a senior each applicable fire department officer of each fire department having jurisdiction along the route of a unit train routes over which oil or other hazardous substances are transported, in order to:

(1) ensure coordination of emergency response activities between the railroad and local responders;

(2) assist emergency managers in identifying and assessing local rail-specific threats, hazards, and risks; and

(3) assist railroads in obtaining information from emergency managers regarding specific local natural and technical hazards and threats in the local area that may impact rail operations or public safety.

(b) The coordination under paragraph (a), clauses (2) and (3), must include identification of increased risks and potential special responses due to high population concentration, critical local infrastructure, key facilities, significant venues, sensitive natural environments, and other factors identified by railroads, emergency managers, and fire departments.

(c) The commissioner of public safety must compile and make available to railroads a list of applicable emergency managers and applicable fire chiefs, which must include contact information. The commissioner must make biennial updates to the list of emergency managers and fire chiefs and make the list of updated contact information available to railroads.

Sec. 7. Minnesota Statutes 2022, section 115E.042, subdivision 4, is amended to read:

Subd. 4. **Response capabilities; time limits.** (a) Following confirmation of a discharge, a railroad must deliver and deploy sufficient equipment and trained personnel to (1) contain and recover discharged oil or other hazardous substances and to, (2) protect the environment, and (3) assist local public safety officials. Within 15 minutes of a rail incident involving a confirmed discharge or release of oil or other hazardous substances, a railroad must contact the applicable emergency manager and applicable fire chief having jurisdiction along the route where the incident occurred. After learning of the rail incident involving oil or other hazardous substances, the applicable emergency manager and applicable fire chief must, as soon as practicable, identify and provide contact information of the responsible incident commander to the reporting railroad.

(b) Within 15 minutes of local emergency responder arrival on the scene of a rail incident involving oil or other hazardous substances, a railroad must assist the incident commander to determine the nature of any hazardous substance known to have been released and hazardous substance cargo transported on the train. Assistance must include providing information that identifies the chemical content of the hazardous substance, contact information for the shipper, and instructions for dealing with the release of the material. A railroad may provide information on the hazardous substances transported on the train through the train orders on board the train or by facsimile or electronic transmission.

(c) Within one hour of confirmation of a discharge, a railroad must provide a qualified company employee representative to advise the incident commander, assist in assessing the situation, initiate railroad response actions as needed, and provide advice and recommendations to the incident commander regarding the response. The employee representative may be made available by telephone, and must be authorized to deploy all necessary response resources of the railroad.

(d) Within three hours of confirmation of a discharge, a railroad must be capable of delivering monitoring equipment and a trained operator to assist in protection of responder and public safety. A plan to ensure delivery of monitoring equipment and an operator to a discharge site must be provided each year to the commissioner of public safety.

~~(d)~~ (e) Within three hours of confirmation of a discharge, a railroad must provide (1) qualified personnel at a discharge site to assess the discharge and to advise the incident commander, and (2) resources to assist the incident commander with ongoing public safety and scene stabilization.

~~(e)~~ (f) A railroad must be capable of deploying containment boom from land across sewer outfalls, creeks, ditches, and other places where oil or other hazardous substances may drain, in order to contain leaked material before it reaches those resources. The arrangement to provide containment boom and staff may be made by:

- (1) training and caching equipment with local jurisdictions;
- (2) training and caching equipment with a fire mutual-aid group;
- (3) means of an industry cooperative or mutual-aid group;
- (4) deployment of a contractor;
- (5) deployment of a response organization under state contract; or
- (6) other dependable means acceptable to the Pollution Control Agency.

~~(f)~~ (g) Each arrangement under paragraph ~~(e)~~ (f) must be confirmed each year. Each arrangement must be tested by drill at least once every five years.

~~(g)~~ (h) Within eight hours of confirmation of a discharge, a railroad must be capable of delivering and deploying containment boom, boats, oil recovery equipment, trained staff, and all other materials needed to provide:

- (1) on-site containment and recovery of a volume of oil equal to ten percent of the calculated worst case discharge at any location along the route; and
- (2) protection of listed sensitive areas and potable water intakes within one mile of a discharge site and within eight hours of water travel time downstream in any river or stream that the right-of-way intersects.

~~(h)~~ (i) Within 60 hours of confirmation of a discharge, a railroad must be capable of delivering and deploying additional containment boom, boats, oil recovery equipment, trained staff, and all other materials needed to provide containment and recovery of a worst case discharge and to protect listed sensitive areas and potable water intakes at any location along the route.

Sec. 8. Minnesota Statutes 2022, section 115E.042, subdivision 5, is amended to read:

Subd. 5. **Railroad drills.** (a) Each railroad must conduct at least one oil containment, recovery, and sensitive area protection drill exercises involving oil or other hazardous substances as follows: (1) at least one tabletop exercise every year; and (2) at least one full-scale exercise every three years. Each exercise must be at a location, date, and time and in the manner chosen by the Pollution Control Agency, and attended by safety representatives of railroad employees governed by the Railway Labor Act.

(b) To the extent feasible, the commissioner of the Pollution Control Agency must coordinate each exercise with exercises required by federal agencies.

Sec. 9. Minnesota Statutes 2022, section 115E.042, subdivision 6, is amended to read:

Subd. 6. **Prevention and response plans; requirements; submission.** ~~(a) By June 30, 2015, A railroad shall submit the prevention and response plan required under section 115E.04, as necessary to comply with the requirements of this section,~~ to the commissioner of the Pollution Control Agency on a form designated by the commissioner.

~~(b) By June 30 of~~ Every third year following a plan submission under this subdivision, or sooner as provided under section 115E.04, subdivision 2, a railroad must update and resubmit the prevention and response plan to the commissioner.

Sec. 10. **[160.2325] HIGHWAYS FOR HABITAT PROGRAM.**

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

(b) "Integrated roadside vegetation management" means an approach to right-of-way maintenance that combines a variety of techniques with sound ecological principles to establish and maintain safe, healthy, and functional roadsides. Integrated roadside vegetation management includes but is not limited to judicious use of herbicides, spot mowing, biological control, prescribed burning, mechanical tree and brush removal, erosion prevention and treatment, and prevention and treatment of other right-of-way disturbances.

(c) "Program" means the highways for habitat program established in this section.

Subd. 2. **Program establishment.** The commissioner must establish a highways for habitat program to enhance roadsides with pollinator and other wildlife habitat and vegetative buffers.

Subd. 3. **General requirements.** In implementing the program, the commissioner must:

(1) identify and prioritize highways for habitat installations under an integrated roadside vegetation management plan with priority given to new construction and reconstruction;

(2) develop and erect signage, where appropriate, that identifies highways for habitat projects and clearly marks the habitat and management restrictions;

(3) develop training for department personnel and contractors that apply pesticides and manage vegetation on the use of integrated roadside vegetation management and native plant identification;

(4) assess, in consultation with the commissioners of natural resources and agriculture, the categorization and management of noxious weeds to reduce the use of mowing and pesticides;

(5) maintain a website that includes information on program implementation, program funding and expenditures, integrated roadside vegetation management, and related best management practices; and

(6) identify funding sources and develop proposals for ongoing funding for the program.

Subd. 4. **Management standards.** (a) The commissioner, in consultation with the commissioner of natural resources and the Board of Water and Soil Resources, must develop standards and best management practices for integrated roadside vegetation management plans under the program.

(b) To the extent feasible, the standards and best management practices must include:

(1) guidance on seed and vegetation selection based on the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines;

(2) requirements for roadside vegetation management protocols that avoid the use of pollinator lethal insecticides as defined under section 18H.02, subdivision 28a;

(3) practices that are designed to avoid habitat destruction and protect nesting birds, pollinators, and other wildlife, except as necessary to control noxious weeds; and

(4) identification of appropriate right-of-way tracts for wildflower and native habitat establishment.

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

Sec. 11. Minnesota Statutes 2022, section 161.045, subdivision 3, is amended to read:

Subd. 3. **Limitations on spending.** (a) A commissioner must not pay for any of the following with funds from the highway user tax distribution fund or the trunk highway fund:

(1) Bureau of Criminal Apprehension laboratory;

(2) Explore Minnesota Tourism kiosks;

(3) Minnesota Safety Council;

(4) driver education programs;

(5) Emergency Medical Services Regulatory Board;

(6) Mississippi River Parkway Commission;

(7) payments to the Department of Information Technology Services in excess of actual costs incurred for trunk highway purposes;

(8) personnel costs incurred on behalf of the governor's office;

(9) the Office of Aeronautics within the Department of Transportation;

(10) the Office of Transit and Active Transportation within the Department of Transportation;

(11) the Office of Passenger Rail;

(12) purchase and maintenance of soft body armor under section 299A.38;

(13) tourist information centers;

- (14) parades, events, or sponsorships of events;
- (15) ~~rent and utility expenses for the department's central office building;~~
- ~~(16)~~ the installation, construction, expansion, or maintenance of public electric vehicle infrastructure;
- ~~(17)~~ (16) the statewide notification center for excavation services pursuant to chapter 216D; and
- ~~(18)~~ (17) manufacturing license plates.

(b) The prohibition in paragraph (a) includes all expenses for the named entity or program, including but not limited to payroll, purchased services, supplies, repairs, and equipment. This prohibition on spending applies to any successor entities or programs that are substantially similar to the entity or program named in this subdivision.

Sec. 12. Minnesota Statutes 2022, section 161.088, subdivision 1, is amended to read:

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

- (1) "beyond the project limits" means any point that is located:
 - (i) outside of the project limits;
 - (ii) along the same trunk highway; and
 - (iii) within the same region of the state;
- (2) "city" means a statutory or home rule charter city;
- (3) "greater Minnesota area" means the counties that are not metropolitan counties;
- (4) "metropolitan area" means Anoka, Carver, Chisago, Dakota, Hennepin, Ramsey, Scott, and Washington counties;
- ~~(3)~~ (5) "program" means the corridors of commerce program established in this section; and
- ~~(4)~~ (6) "project limits" means the estimated construction limits of a project for trunk highway construction, reconstruction, or maintenance, that is a candidate for selection under the corridors of commerce program.

Sec. 13. Minnesota Statutes 2022, section 161.088, subdivision 2, is amended to read:

Subd. 2. **Program authority; funding.** (a) As provided in this section, the commissioner shall establish a corridors of commerce program for trunk highway construction, reconstruction, and improvement, including maintenance operations, that improves commerce in the state.

(b) The commissioner may expend funds under the program from appropriations to the commissioner that are:

- (1) made specifically by law for use under this section;
- (2) at the discretion of the commissioner, made for the budget activities in the state roads program of operations and maintenance, program planning and delivery, or state road construction; and
- (3) made for the corridor investment management strategy program, unless specified otherwise.
- (c) The commissioner ~~shall~~ must include in the program the cost participation policy for local units of government.
- (d) The commissioner may use up to 17 percent of any appropriation ~~to the program under this section~~ for program delivery and for project scoring, ranking, and selection under subdivision 5.

Sec. 14. Minnesota Statutes 2022, section 161.088, subdivision 4, is amended to read:

Subd. 4. **Project eligibility.** (a) The eligibility requirements for projects that can be funded under the program are:

- (1) consistency with the statewide multimodal transportation plan under section 174.03;
 - (2) location of the project on an interregional corridor, for a project located outside of the Department of Transportation metropolitan district;
 - (3) placement into at least one project classification under subdivision 3;
 - (4) project construction work will commence within ~~three~~ four years, or a longer length of time as determined by the commissioner; and
 - (5) for each type of project classification under subdivision 3, a maximum allowable amount for the total project cost estimate, as determined by the commissioner with available data.
- (b) A project whose construction is programmed in the state transportation improvement program is not eligible for funding under the program. This paragraph does not apply to a project that is programmed as result of selection under this section.
- (c) A project may be, but is not required to be, identified in the 20-year state highway investment plan under section 174.03.
- (d) For each project, the commissioner must consider all of the eligibility requirements under paragraph (a). The commissioner is prohibited from considering any eligibility requirement not specified under paragraph (a).
- (e) A project in the greater Minnesota area with a total project cost of more than \$10,000,000 is classified as a greater Minnesota large project. A project in the greater Minnesota area with a total project cost of \$10,000,000 or less is classified as a greater Minnesota small project. All projects in the metropolitan area are classified as metropolitan projects, regardless of the total project cost.

Sec. 15. Minnesota Statutes 2022, section 161.088, subdivision 5, is amended to read:

Subd. 5. **Project selection process; criteria.** (a) The commissioner must establish a process to identify, evaluate, and select projects under the program. The process must be consistent with the requirements of this subdivision and must not include any additional evaluation criteria.

(b) As part of the project selection process, the commissioner must annually accept recommendations on candidate projects from area transportation partnerships and ~~other interested stakeholders in each Department of Transportation district counties~~ in the metropolitan area as provided by this section. The commissioner must determine the eligibility for each candidate project ~~identified under this paragraph~~ that is submitted as provided in this section. For each eligible project, the commissioner must classify and evaluate the project for the program, using all of the criteria established under paragraph ~~(e)~~ (d).

(c) Before proceeding to the evaluation required under paragraph (d), all project recommendations submitted for consideration must be screened as follows:

(1) for projects in the greater Minnesota area:

(i) the area transportation partnership for the area must review all project recommendations from the partnership's area;

(ii) each area transportation partnership must select up to three large projects and three small projects as defined in subdivision 4 to recommend for advancement to the evaluation process under paragraph (d). Each area transportation partnership may develop its own process to determine which projects to recommend. An area transportation partnership must not include the same segment of road in more than one project; and

(iii) only the projects recommended for evaluation may be developed by the department and scored for selection under paragraph (d). All projects not recommended for evaluation are disqualified from further consideration and must not be evaluated under paragraph (d); and

(2) for projects located in the metropolitan area:

(i) projects located within a county in the metropolitan area must be reviewed by the county board;

(ii) each county board must select up to two projects to recommend for advancement to the evaluation process under paragraph (d). A board must not include the same segment of road in more than one project. Each board may develop its own process to determine which project to recommend; and

(iii) only the projects submitted by the county boards as provided in this paragraph may be developed by the department and scored for selection under paragraph (d). All projects not recommended for evaluation are disqualified from further consideration and must not be evaluated under paragraph (d).

~~(e)~~ (d) Projects must be evaluated using all of the following criteria:

(1) a return on investment measure that provides for comparison across eligible projects;

(2) measurable impacts on commerce and economic competitiveness;

(3) efficiency in the movement of freight, including but not limited to:

(i) measures of annual average daily traffic and commercial vehicle miles traveled, which may include data near the project location on that trunk highway or on connecting trunk and local highways; and

(ii) measures of congestion or travel time reliability, which may be within or near the project limits, or both;

(4) improvements to traffic safety;

(5) connections to regional trade centers, local highway systems, and other transportation modes;

(6) the extent to which the project addresses multiple transportation system policy objectives and principles;

(7) support and consensus for the project among members of the surrounding community;

(8) the time and work needed before construction may begin on the project; ~~and~~

(9) regional balance throughout the state; and

(10) written recommendations submitted as provided by subdivision 5a.

The commissioner must ~~give the criteria in clauses (1) to (8) equal weight in~~ assign 100 selection points to each evaluation criterion set forth in clauses (1) to (8) for the selection process.

(e) The commissioner must select projects so that approximately 50 percent of the available funding is used for projects in the metropolitan area and the other 50 percent is used for projects in the greater Minnesota area. Of funding for projects in the metropolitan area, at least 45 percent must be spent for projects in Anoka, Carver, Chisago, Dakota, Scott, and Washington Counties. Of the funding for projects in the greater Minnesota area, approximately 25 percent must be used for projects classified as greater Minnesota small projects as defined in subdivision 4. When selecting projects in the greater Minnesota area, the commissioner must select projects so that no district has two or more projects more than any other district.

~~(d) The list of all projects evaluated must be made public and must include the score of each project~~ (f) The commissioner must publish information regarding the selection process on the department's website. The information must include:

(1) lists of all projects submitted for consideration and all projects recommended by the screening entities;

(2) the scores and ranking for each project; and

(3) an overview of each selected project, with amounts and sources of funding.

~~(e)~~ (g) As part of the project selection process, the commissioner may divide funding to be separately available among projects within each classification under subdivision 3, and may apply separate or modified criteria among those projects falling within each classification.

Sec. 16. Minnesota Statutes 2022, section 161.088, is amended by adding a subdivision to read:

Subd. 5a. **Recommendations.** After receiving all projects submitted pursuant to subdivision 5 but before making final selections, the commissioner must compile a list of all projects that were submitted and transmit the list to each legislator and to the governor. The list must include the location of each project and a brief description of the work to be done. Within 30 days of the date the project list is transmitted, each legislator and the governor may submit to the commissioner a written recommendation for one project on the list. The commissioner must award one additional point to a project for each written recommendation received for that project.

Sec. 17. Minnesota Statutes 2022, section 161.088, is amended by adding a subdivision to read:

Subd. 5b. **Project selection period.** Beginning July 1, 2027, and every five years thereafter, area transportation partnerships and the metropolitan counties must submit projects to the commissioner of transportation as provided in subdivision 5. The commissioner must evaluate the projects and select projects by March 1 of the following year. To the greatest extent possible, the commissioner must select a sufficient number of projects to ensure that all funds allocated for the five-year period are encumbered or spent by the end of the period. If all selected projects are funded in the five-year time period and there were projects that were identified and not selected, the commissioner must select additional projects from the original project submissions. If all the projects that were submitted are funded, the commissioner may authorize an additional project selection period to select projects for the remainder of the period. Except as authorized by this subdivision, the project submission and selection process must only occur every five years.

Sec. 18. **[161.178] TRANSPORTATION GREENHOUSE GAS EMISSIONS IMPACT ASSESSMENT.**

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

(b) "Assessment" means the capacity expansion impact assessment under this section.

(c) "Capacity expansion project" means a project for trunk highway construction or reconstruction that:

(1) is a major highway project, as defined in section 174.56, subdivision 1, paragraph (b); and

(2) adds highway traffic capacity or provides for grade separation at an intersection, excluding auxiliary lanes with a length of less than 2,500 feet.

(d) "Embodied carbon emissions" means the total carbon dioxide emissions from all stages of production of a product or material including but not limited to mining, processing of raw materials, and manufacturing.

(e) "Greenhouse gas emissions" includes those emissions described in section 216H.01, subdivision 2.

Subd. 2. **Project assessment.** (a) Prior to including a capacity expansion project in the state transportation improvement program, the commissioner must perform a capacity expansion impact

assessment of the project. Following the assessment, the commissioner must determine if the project conforms with:

(1) the greenhouse gas emissions reduction benchmarks under section 174.01, subdivision 3;

(2) the vehicle miles traveled reduction targets established in the statewide multimodal transportation plan under section 174.03, subdivision 1a; and

(3) providing neutral or positive environmental effects in areas of persistent poverty or historically disadvantaged communities disrupted, displaced, or otherwise harmed by past transportation infrastructure decisions.

(b) If the commissioner determines that the capacity expansion project is not in conformance with paragraph (a), the commissioner must:

(1) alter the scope or design of the project and perform a revised assessment that meets the requirements under this section;

(2) interlink sufficient impact mitigation as provided in subdivision 4; or

(3) halt project development and disallow inclusion of the project in the state transportation improvement program.

Subd. 3. **Assessment requirements.** (a) The commissioner must establish a process to perform capacity expansion impact assessments. An assessment must provide for the determination under subdivision 2.

(b) Analysis under an assessment must include but is not limited to estimates resulting from the project for the following:

(1) total embodied carbon emissions;

(2) greenhouse gas emissions over a period of 20 years;

(3) change in vehicle miles traveled for the trunk highway segment and in other impacted areas within the state; and

(4) a calculation of positive, neutral, or negative environmental effects based on:

(i) air quality and pollution;

(ii) noise pollution;

(iii) general public health; and

(iv) other measures as determined by the commissioner.

(c) The commissioner must establish criteria to identify areas of persistent poverty and historically disadvantaged communities based on measures and definitions in state and federal law and federal guidance. The criteria must include a consideration of whether a historically disadvantaged community was disrupted, displaced, or otherwise harmed by past transportation decisions.

Subd. 4. **Impact mitigation.** (a) To provide for impact mitigation, the commissioner must interlink the capacity expansion project as provided in this subdivision. Impact mitigation is sufficient under subdivision 2, paragraph (b), if the capacity expansion project is interlinked to mitigation actions such that:

(1) the total greenhouse gas emissions reduction from the mitigation actions, after accounting for the greenhouse gas emissions otherwise resulting from the capacity expansion project, is consistent with meeting the benchmarks and targets specified under subdivision 2, paragraph (a), clauses (1) and (2); and

(2) the total positive environmental effects from the actions equals or exceeds the negative environmental effects, as determined under subdivision 3, paragraph (b), clause (4), otherwise resulting from the capacity expansion project.

(b) Each comparison under paragraph (a), clauses (1) and (2), must be performed over equal comparison periods.

(c) A mitigation action consists of a project, program, or operations modification in one or more of the following areas:

(1) transit expansion, including but not limited to regular route bus, arterial bus rapid transit, highway bus rapid transit, rail transit, and intercity passenger rail;

(2) transit service improvements, including but not limited to increased service level, transit fare reduction, and transit priority treatments;

(3) active transportation infrastructure;

(4) micromobility infrastructure and service, including but not limited to shared vehicle services;

(5) transportation demand management, including but not limited to vanpool and shared vehicle programs, remote work, and broadband access expansion;

(6) parking management, including but not limited to parking requirements reduction or elimination and parking cost adjustments;

(7) land use, including but not limited to residential and other density increases, mixed-use development, and transit-oriented development; and

(8) highway construction materials or practices modifications to provide for greenhouse gas emissions reductions.

(d) A mitigation action may be identified as interlinked to the capacity expansion project if:

(1) there is a specified project, program, or modification;

(2) the necessary funding sources are identified and sufficient amounts are committed;

(3) the mitigation is localized as provided in paragraph (e); and

(4) procedures are established to ensure that the mitigation action remains in substantially the same form or a revised form that continues to meet the calculation under paragraph (a).

(e) The area or corridor of a mitigation action must be localized in the following priority order:

(1) within or associated with at least one of the communities impacted by the capacity expansion project;

(2) if there is not a reasonably feasible location under clause (1), in the region of the capacity expansion project; or

(3) if there is not a reasonably feasible location under clauses (1) and (2), on a statewide basis.

(f) The commissioner must include an explanation regarding the feasibility and rationale for each mitigation action located under paragraph (e), clauses (2) and (3).

Subd. 5. **Public information.** The commissioner must publish information regarding capacity expansion impact assessments on the department's website. The information must include:

(1) identification of capacity expansion projects; and

(2) for each project, a summary that includes an overview of the expansion impact assessment, the impact determination by the commissioner, and project disposition including a review of any mitigation actions.

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

Sec. 19. Minnesota Statutes 2022, section 161.45, subdivision 1, is amended to read:

Subdivision 1. **Rules.** (a) Electric transmission, telephone, or telegraph lines; pole lines; community antenna television lines; railways; ditches; sewers; water, heat, or gas mains; gas and other pipelines; flumes; or other structures which, under the laws of this state or the ordinance of any city, may be constructed, placed, or maintained across or along any trunk highway, or the roadway thereof, by any person, persons, corporation, or any subdivision of the state, may be so maintained or hereafter constructed only in accordance with such rules as may be prescribed by the commissioner who shall have power to prescribe and enforce reasonable rules with reference to the placing and maintaining along, across, or in any such trunk highway of any of the utilities hereinbefore set forth.

(b) The rules under paragraph (a) must not prohibit an entity that has a right to use the public road right-of-way pursuant to section 222.37, subdivision 1, and that has a power purchase agreement or an agreement to transfer ownership with a Minnesota utility that directly, or through its members or agents, provides retail electric service in the state from placing and maintaining electric transmission lines along, across, or in any trunk highway except as necessary to protect public safety. Nothing herein shall restrict the actions of public authorities in extraordinary emergencies nor restrict the power and authority of the commissioner of commerce as provided for in other provisions of law. Provided, however, that in the event any local subdivision of government has enacted ordinances relating to the method of installation or requiring underground installation of such community

antenna television lines, the permit granted by the commissioner of transportation shall require compliance with such local ordinance.

Sec. 20. Minnesota Statutes 2022, section 161.45, subdivision 2, is amended to read:

Subd. 2. **Relocation of utility.** Whenever the relocation of any utility facility is necessitated by the construction of a project on a trunk highway ~~routes other than those described in section 161.46, subdivision 2 route,~~ the relocation work may be made a part of the state highway construction contract or let as a separate contract as provided by law if the owner or operator of the facility requests the commissioner to act as its agent for the purpose of relocating the facilities and if the commissioner determines that such action is in the best interests of the state. Payment by the utility owner or operator to the state shall be in accordance with applicable statutes and the rules for utilities on trunk highways.

Sec. 21. Minnesota Statutes 2022, section 161.46, subdivision 2, is amended to read:

Subd. 2. **Relocation of facilities; reimbursement.** (a) Whenever the commissioner shall determine the relocation of any utility facility is necessitated by the construction of a project on the routes of federally aided state trunk highways, including urban extensions thereof, which routes are included within the National System of Interstate Highways, the owner or operator of such utility facility shall relocate the same in accordance with the order of the commissioner. After the completion of such relocation the cost thereof shall be ascertained and paid by the state out of trunk highway funds; provided, however, the amount to be paid by the state for such reimbursement shall not exceed the amount on which the federal government bases its reimbursement for said interstate system.

(b) Notwithstanding paragraph (a), on or after January 1, 2024, any entity that receives a route permit under chapter 216E for a high-voltage transmission line necessary to interconnect an electric power generating facility is not eligible for relocation reimbursement unless the entity directly, or through its members or agents, provides retail electric service in this state.

Sec. 22. Minnesota Statutes 2022, section 161.53, is amended to read:

161.53 RESEARCH ACTIVITIES.

(a) The commissioner may set aside in each fiscal year up to two percent of the total amount of all funds appropriated to the commissioner other than county state-aid and municipal state-aid highway funds for transportation research including public and private research partnerships. The commissioner shall spend this money for (1) research to improve the design, construction, maintenance, management, and environmental compatibility of transportation systems, including research into and implementation of innovations in bridge-monitoring technology and bridge inspection technology; bridge inspection techniques and best practices; and the cost-effectiveness of deferred or lower cost highway and bridge design and maintenance activities and their impacts on long-term trunk highway costs and maintenance needs; (2) research on transportation policies that enhance energy efficiency and economic development; (3) programs for implementing and monitoring research results; and (4) development of transportation education and outreach activities.

(b) Of all funds appropriated to the commissioner other than state-aid funds, the commissioner shall spend at least 0.1 percent, ~~but not exceeding \$2,000,000 in any fiscal year,~~ for research and related activities performed by the Center for Transportation Studies of the University of Minnesota.

The center shall establish a technology transfer and training center for Minnesota transportation professionals.

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

Sec. 23. Minnesota Statutes 2022, section 168.27, subdivision 31, is amended to read:

Subd. 31. **Documentary fee.** (a) A motor vehicle dealer may not charge a documentary fee or document administration fee in excess of the amounts provided under paragraph (b) for services actually rendered to, for, or on behalf of the retail buyer or lessee to prepare, handle, and process documents for the closing of a motor vehicle retail sale or lease of a vehicle being registered in the state of Minnesota. The fee must be separately stated on the sales agreement maintained under Minnesota Rules, part 7400.5200, and may be excluded from the dealer's advertised price.

(b) For motor vehicle sales or leases made on or after July 1, ~~2017~~ 2023, through June 30, ~~2020~~ 2024, the maximum fee is ~~\$100~~ the lesser of \$200 or an amount equal to ten percent of the value of the sale or lease. For motor vehicle sales or leases made on or after July 1, ~~2020~~ 2024, through June 30, 2025, the maximum fee is ~~\$125~~ the lesser of \$275 or an amount equal to ten percent of the value of the sale or lease. For motor vehicle sales or leases made on or after July 1, 2025, the maximum fee is the lesser of \$350 or an amount equal to ten percent of the value of the sale or lease.

(c) "Documentary fee" and "document administration fee" do not include an optional electronic transfer fee as defined under section 53C.01, subdivision 14.

EFFECTIVE DATE. This section is effective for motor vehicle sales and leases made on or after July 1, 2023.

Sec. 24. Minnesota Statutes 2022, section 169.011, subdivision 27, is amended to read:

Subd. 27. **Electric-assisted bicycle.** "Electric-assisted bicycle" means a bicycle with two or three wheels that:

- (1) has a saddle and fully operable pedals for human propulsion;
- (2) meets the requirements for bicycles under Code of Federal Regulations, title 16, part 1512, or successor requirements;
- (3) is equipped with an electric motor that has a power output of not more than 750 watts; ~~and~~
- (4) meets the requirements of a class 1, class 2, or class 3 electric-assisted bicycle; and
- (5) has a battery or electric drive system that has been tested to an applicable safety standard by a third-party testing laboratory.

Sec. 25. **[169.065] SAFE ROAD ZONES.**

Subdivision 1. **Definition.** For purposes of this section, "local request" means a formal request collectively submitted by the chief law enforcement officer of a political subdivision serving the proposed safe road zone, the local road authority for the proposed safe road zone, and the chief

executive officer, board, or designee by resolution of the political subdivision encompassing the proposed safe road zone.

Subd. 2. **Establishment.** (a) The commissioner may designate a safe road zone as provided in this section.

(b) Upon receipt of a local request, the commissioner, in consultation with the commissioner of public safety, must consider designating a segment of a street or highway as a safe road zone. In determining the designation of a safe road zone, the commissioner must evaluate traffic safety concerns for the street or highway, including but not limited to: excessive speed; crash history; safety of pedestrians, bicyclists, or other vulnerable road users; intersection risks; and roadway design.

Subd. 3. **Implementation.** The Advisory Council on Traffic Safety under section 4.076 must make recommendations to the commissioners of public safety and transportation on supporting the local authority with implementation of safety measures for each safe road zone through education, public awareness, behavior modification, and traffic engineering efforts. Safety measures for a safe road zone may include:

- (1) providing safe road zone signs to the local authority for use in the zone;
- (2) consulting with the local authority on roadway design modifications to improve safety;
- (3) performing statewide safe road zone public awareness and educational outreach;
- (4) providing safe road zone outreach materials to the local authority for distribution to the general public;
- (5) working with the local authority to enhance safety conditions in the zone;
- (6) establishing a speed limit as provided under section 169.14, subdivision 5i, with supporting speed enforcement and education measures; and
- (7) evaluating the impacts of safety measures in the zone on: crashes; injuries and fatalities; property damage; transportation system disruptions; safety for vulnerable roadway users, including pedestrians and bicyclists; and other measures as identified by the commissioner.

Subd. 4. **Traffic enforcement.** The commissioner of public safety must coordinate with local law enforcement agencies to determine implementation of enhanced traffic enforcement in a safe road zone designated under this section.

Subd. 5. **Program information.** The commissioner of transportation must maintain information on a website that summarizes safe road zone implementation, including but not limited to identification of requests for and designations of safe road zones, an overview of safety measures and traffic enforcement activity, and a review of annual expenditures.

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

Sec. 26. Minnesota Statutes 2022, section 169.14, is amended by adding a subdivision to read:

Subd. 5i. **Speed limits in safe road zone.** (a) Upon request by the local authority, the commissioner may establish a temporary or permanent speed limit in a safe road zone designated under section 169.065, other than the limits provided in subdivision 2, based on an engineering and traffic investigation.

(b) The speed limit under this subdivision is effective upon the erection of appropriate signs designating the speed and indicating the beginning and end of the segment on which the speed limit is established. Any speed in excess of the posted limit is unlawful.

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

Sec. 27. Minnesota Statutes 2022, section 169.18, subdivision 11, is amended to read:

Subd. 11. Passing parked ~~authorized~~ vehicle; citation; probable cause. ~~(a) For purposes of this subdivision, "authorized vehicle" means an authorized emergency vehicle, as defined under section 169.011, subdivision 3; a tow truck or towing vehicle, as defined under section 168B.011, subdivision 12a; a freeway service patrol vehicle; a road maintenance vehicle; a utility company vehicle; a construction vehicle; a solid waste vehicle; or a recycling vehicle.~~

~~(b)~~ (a) When approaching and before passing ~~an authorized~~ a vehicle with its emergency, flashing, or warning lights activated that is parked or otherwise stopped on or next to a street or highway having two lanes in the same direction, the driver of a vehicle shall safely move the vehicle to the lane farthest away from the authorized vehicle, if it is possible to do so.

~~(c)~~ (b) When approaching and before passing ~~an authorized~~ a vehicle with its emergency, flashing, or warning lights activated that is parked or otherwise stopped on or next to a street or highway having more than two lanes in the same direction, the driver of a vehicle shall safely move the vehicle so as to leave a full lane vacant between the driver and any lane in which the ~~authorized parked or stopped~~ vehicle is completely or partially parked or otherwise stopped, if it is possible to do so.

~~(d)~~ (c) If a lane change under paragraph ~~(b) or (c)~~ (a) or (b) is impossible, or when approaching and before passing ~~an authorized~~ a vehicle with its emergency, flashing, or warning lights activated that is parked or otherwise stopped on or next to a street or highway having only one lane in the same direction, the driver of a vehicle must reduce the speed of the motor vehicle to a speed that is reasonable and prudent under the conditions until the motor vehicle has completely passed the parked or stopped ~~authorized~~ vehicle, if it is possible to do so.

~~(e)~~ (d) A peace officer may issue a citation to the driver of a motor vehicle if the peace officer has probable cause to believe that the driver has operated the vehicle in violation of this subdivision within the four-hour period following the termination of the incident or a receipt of a report under paragraph ~~(d)~~ (e). The citation may be issued even though the violation was not committed in the presence of the peace officer.

~~(f)~~ (e) Although probable cause may be otherwise satisfied by other evidentiary elements or factors, probable cause is sufficient for purposes of this subdivision when the person cited is operating the vehicle described by a member of the crew of an authorized emergency vehicle or a towing vehicle as defined in section 168B.011, subdivision 12a, responding to an incident in a timely report of the violation of this subdivision, which includes a description of the vehicle used to commit the

offense and the vehicle's license plate number. For the purposes of issuance of a citation under paragraph ~~(e)~~ (d), "timely" means that the report must be made within a four-hour period following the termination of the incident.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to violations committed on or after that date.

Sec. 28. Minnesota Statutes 2022, section 169.345, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purpose of section 168.021 and this section, the following terms have the meanings given them in this subdivision.

(b) "Health professional" means a licensed physician, licensed physician assistant, advanced practice registered nurse, licensed physical therapist, or licensed chiropractor.

(c) "Long-term certificate" means a certificate issued for a period greater than 12 months but not greater than 71 months.

(d) "Organization certificate" means a certificate issued to an entity other than a natural person for a period of three years.

(e) "Permit" refers to a permit that is issued for a period of 30 days, in lieu of the certificate referred to in subdivision 3, while the application is being processed.

(f) "Physically disabled person" means a person who:

(1) because of disability cannot walk without significant risk of falling;

(2) because of disability cannot walk 200 feet without stopping to rest;

(3) because of disability cannot walk without the aid of another person, a walker, a cane, crutches, braces, a prosthetic device, or a wheelchair;

(4) is restricted by a respiratory disease to such an extent that the person's forced (respiratory) expiratory volume for one second, when measured by spirometry, is less than one liter;

(5) has an arterial oxygen tension (PaO₂) of less than 60 mm/Hg on room air at rest;

(6) uses portable oxygen;

(7) has a cardiac condition to the extent that the person's functional limitations are classified in severity as class III or class IV according to standards set by the American Heart Association;

(8) has lost an arm or a leg and does not have or cannot use an artificial limb; ~~or~~

(9) has a disability that would be aggravated by walking 200 feet under normal environmental conditions to an extent that would be life threatening; or

(10) is legally blind.

(g) "Short-term certificate" means a certificate issued for a period greater than six months but not greater than 12 months.

(h) "Six-year certificate" means a certificate issued for a period of six years.

(i) "Temporary certificate" means a certificate issued for a period not greater than six months.

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

Sec. 29. Minnesota Statutes 2022, section 169.475, subdivision 2, is amended to read:

Subd. 2. **Prohibition on use; penalty.** (a) Except as provided in subdivision 3, when a motor vehicle is in motion or a part of traffic, the person operating the vehicle upon a street or highway is prohibited from:

(1) holding a wireless communications device with one or both hands; or

(2) using a wireless communications device to:

~~(+)~~ (i) initiate, compose, send, retrieve, or read an electronic message;

~~(-)~~ (ii) engage in a cellular phone call, including initiating a call, talking or listening, and participating in video calling; and

~~(-)~~ (iii) access the following types of content stored on the device: video content, audio content, images, games, or software applications.

(b) A person who violates paragraph (a) a second or subsequent time must pay a fine of \$275.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to violations committed on or after that date.

Sec. 30. Minnesota Statutes 2022, section 169.475, subdivision 3, is amended to read:

Subd. 3. **Exceptions.** (a) The prohibitions in subdivision 2 do not apply if a person uses a wireless communications device:

(1) solely in a voice-activated or hands-free mode to (i) initiate or participate in a cellular phone call, provided that the person does not hold the device with one or both hands; or ~~to~~ (ii) initiate, compose, send, or listen to an electronic message;

(2) to view or operate a global positioning system or navigation system in a manner that does not require the driver to type while the vehicle is in motion or a part of traffic, provided that the person does not hold the device with one or both hands;

(3) to listen to audio-based content in a manner that does not require the driver to scroll or type while the vehicle is in motion or a part of traffic, provided that the person does not hold the device with one or both hands;

(4) to obtain emergency assistance to (i) report a traffic accident, medical emergency, or serious traffic hazard, or (ii) prevent a crime about to be committed;

- (5) in the reasonable belief that a person's life or safety is in immediate danger; or
- (6) in an authorized emergency vehicle while in the performance of official duties.

(b) The exception in paragraph (a), clause (1), does not apply to accessing nonnavigation video content, engaging in video calling, engaging in live-streaming, accessing gaming data, or reading electronic messages.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to violations committed on or after that date.

Sec. 31. **[169.8296] WEIGHT LIMITS; TOWING AND RECOVERY VEHICLE.**

Subdivision 1. Annual permit. The commissioner may issue permits to an applicant who pays a single \$300 annual fee to cover all tow trucks and towing vehicles owned by the applicant and who meets any other conditions prescribed by the commissioner. The proceeds of this fee must be deposited in the trunk highway fund. The permit authorizes the tow truck or towing vehicle, when towing a disabled or damaged vehicle to a place of repair or safekeeping, to exceed the length and weight limitations of this chapter.

Subd. 2. Applicability with urgent movement. Sections 169.823 to 169.828 do not apply to a tow truck or towing vehicle when towing a disabled or damaged vehicle and the movement is urgent and for the purpose of removing the disabled vehicle from the roadway to a place of repair or safekeeping. A permit is not required for a vehicle operating under this subdivision.

Subd. 3. Seasonal load restrictions; exemption. (a) For purposes of this subdivision, "recovery vehicle" means a vehicle equipped with a boom that is used to move or recover an inoperable vehicle.

(b) The seasonal load restrictions under section 169.87, subdivisions 1 and 2, do not apply to a tow truck, towing vehicle, or a recovery vehicle that does not exceed a weight of 20,000 pounds per single axle and is being operated for the purpose of towing or recovering another vehicle that:

(1) is involved in a vehicle crash or is inoperable and is located within a public road right-of-way;
or

(2) has entered a public body of water adjacent to the roadway.

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

Sec. 32. Minnesota Statutes 2022, section 171.042, is amended to read:

171.042 DRIVER'S LICENSE FOR MEDICAL REASON.

(a) For purposes of this section, "relative" means the applicant's grandparent, parent, sibling, or legal guardian, including adoptive, half, step, and in-law relationships.

(b) Notwithstanding any provisions of section 171.04, relating to the age of an applicant, the commissioner may issue a driver's license to a person who has attained the age of 15 years but is under the age of 16 years, who, except for age, is qualified to hold a driver's license and who needs to operate a motor vehicle because of:

(1) personal ~~or family~~ medical reasons;

(2) medical reasons of a relative; or

(3) a disabled relative who has a disability that makes it difficult to drive or who does not have a driver's license due to a disability.

(c) The applicant is not required to comply with the six-month instruction permit possession provisions of sections 171.04, subdivision 1, clause (2), and 171.05, subdivision 2a, or with the 12-month provisional license possession provision of section 171.04, subdivision 1, clause (1), item (i).

(d) Applicants shall apply to the commissioner for the license on forms prescribed by the commissioner. The application ~~shall~~ must be accompanied by written verified statements ~~by~~ from the applicant's ~~parent or guardian and by~~ relative or a doctor setting forth the ~~necessity~~ reason the applicant is qualified for the license. The commissioner in issuing such license may impose such conditions and limitations as in the commissioner's judgment are necessary to the interests of the public safety and welfare.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to applications submitted on or after that date.

Sec. 33. Minnesota Statutes 2022, section 171.05, subdivision 2, is amended to read:

Subd. 2. **Person less than 18 years of age.** (a) The department may issue an instruction permit to an applicant who is 15, 16, or 17 years of age and who:

(1) has completed a course of driver education in another state, has a previously issued valid license from another state, or:

(i) is enrolled in ~~either:~~ behind-the-wheel training in a driver education program; and

(ii) has completed:

~~(i) a public, private, or commercial~~ (A) the classroom phase of instruction in a driver education program that ~~is approved by the commissioner of public safety and that~~ includes classroom and behind-the-wheel training; ~~or~~

(B) 15 hours of classroom instruction in a driver education program that presents classroom and behind-the-wheel instruction concurrently;

~~(ii) an approved behind-the-wheel driver education program~~ (C) home-classroom driver training, when the student is receiving full-time instruction in a home school within the meaning of sections 120A.22 and 120A.24, the student is working toward a ~~homeschool~~ home school diploma, the student is ~~taking~~ home-classroom driver training with classroom materials are approved by the commissioner of public safety, and the student's parent has certified the student's ~~homeschool~~ home school and home-classroom driver training status on the form approved by the commissioner;

(D) a teleconference driver education program authorized by section 171.395; or

(E) an online driver education program authorized by section 171.396;

~~(2) has completed the classroom phase of instruction in the driver education program or has completed 15 hours of classroom instruction in a program that presents classroom and behind-the-wheel instruction concurrently;~~

~~(3)~~ (2) has passed a test of the applicant's eyesight;

~~(4)~~ (3) has passed a department-administered test of the applicant's knowledge of traffic laws;

~~(5)~~ (4) has completed the required application, which must be approved by (i) either parent when both reside in the same household as the minor applicant or, if otherwise, then (ii) the parent or spouse of the parent having custody or, in the event there is no court order for custody, then (iii) the parent or spouse of the parent with whom the minor is living or, if items (i) to (iii) do not apply, then (iv) the guardian having custody of the minor, (v) the foster parent or the director of the transitional living program in which the child resides or, in the event a person under the age of 18 has no living father, mother, or guardian, or is married or otherwise legally emancipated, then (vi) the applicant's adult spouse, adult close family member, or adult employer; provided, that the approval required by this clause contains a verification of the age of the applicant and the identity of the parent, guardian, adult spouse, adult close family member, or adult employer; and

~~(6)~~ (5) has paid all fees required in section 171.06, subdivision 2.

(b) In addition, the applicant may submit a certification stating that a primary driving supervisor has completed the supplemental parental curriculum under section 171.0701, subdivision 1a, for the purposes of provisional license requirements under section 171.055, subdivision 1, paragraph (a), clause (6). The certification must be completed by a driver education instructor, as defined under section 171.0701, subdivision 1a.

(c) For the purposes of determining compliance with the certification of paragraph (a), clause (1), item (ii), subitem (C), the commissioner may request verification of a student's ~~homeschool~~ home school status from the superintendent of the school district in which the student resides and the superintendent shall provide that verification.

(d) A driver education program under this subdivision includes a public, private, or commercial program and must be approved by the commissioner.

~~(e)~~ (e) The instruction permit is valid for two years from the date of application and may be renewed upon payment of a fee equal to the fee for issuance of an instruction permit under section 171.06, subdivision 2.

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

Sec. 34. Minnesota Statutes 2022, section 171.06, subdivision 2, is amended to read:

Subd. 2. **Fees.** (a) The fees for a license and Minnesota identification card are as follows:

REAL ID Compliant or				
Noncompliant Classified	D- \$21.00	C- \$25.00	B- \$32.00	A- \$40.00
Driver's License	<u>\$27.00</u>	<u>\$31.00</u>	<u>\$38.00</u>	<u>\$46.00</u>

REAL ID Compliant or Noncompliant Classified Under-21 D.L.	D- \$21.00 <u>\$27.00</u>	C- \$25.00 <u>\$31.00</u>	B- \$32.00 <u>\$38.00</u>	A- \$20.00 <u>\$26.00</u>
Enhanced Driver's License	D- \$36.00 <u>\$42.00</u>	C- \$40.00 <u>\$46.00</u>	B- \$47.00 <u>\$53.00</u>	A- \$55.00 <u>\$61.00</u>
REAL ID Compliant or Noncompliant Instruction Permit				\$5.25 <u>\$11.25</u>
Enhanced Instruction Permit				\$20.25 <u>\$26.25</u>
Commercial Learner's Permit				\$2.50 <u>\$8.50</u>
REAL ID Compliant or Noncompliant Provisional License				\$8.25 <u>\$14.25</u>
Enhanced Provisional License				\$23.25 <u>\$29.25</u>
Duplicate REAL ID Compliant or Noncompliant License or duplicate REAL ID Compliant or Noncompliant identification card				\$6.75 <u>\$12.75</u>
Enhanced Duplicate License or enhanced duplicate identification card				\$21.75 <u>\$27.75</u>
REAL ID Compliant or Noncompliant Minnesota identification card or REAL ID Compliant or Noncompliant Under-21 Minnesota identification card, other than duplicate, except as otherwise provided in section 171.07, subdivisions 3 and 3a				\$11.25 <u>\$17.25</u>
Enhanced Minnesota identification card				\$26.25 <u>\$32.25</u>

~~From August 1, 2019, to June 30, 2022,~~ The fee is increased by \$0.75 for REAL ID compliant or noncompliant classified driver's licenses, REAL ID compliant or noncompliant classified under-21 driver's licenses, and enhanced driver's licenses.

(b) In addition to each fee required in paragraph (a), the commissioner shall collect a surcharge of \$2.25. Surcharges collected under this paragraph must be credited to the driver and vehicle services technology account under section 299A.705.

(c) Notwithstanding paragraph (a), an individual who holds a provisional license and has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33, 169A.35, sections

169A.50 to 169A.53, or section 171.177, (2) convictions for crash-related moving violations, and (3) convictions for moving violations that are not crash related, shall have a \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving violation" has the meaning given it in section 171.04, subdivision 1.

(d) In addition to the driver's license fee required under paragraph (a), the commissioner shall collect an additional \$4 processing fee from each new applicant or individual renewing a license with a school bus endorsement to cover the costs for processing an applicant's initial and biennial physical examination certificate. The department shall not charge these applicants any other fee to receive or renew the endorsement.

(e) In addition to the fee required under paragraph (a), a driver's license agent may charge and retain a filing fee as provided under section 171.061, subdivision 4.

(f) In addition to the fee required under paragraph (a), the commissioner shall charge a filing fee at the same amount as a driver's license agent under section 171.061, subdivision 4. Revenue collected under this paragraph must be deposited in the driver services operating account under section 299A.705.

(g) An application for a Minnesota identification card, instruction permit, provisional license, or driver's license, including an application for renewal, must contain a provision that allows the applicant to add to the fee under paragraph (a), a \$2 donation for the purposes of public information and education on anatomical gifts under section 171.075.

Sec. 35. Minnesota Statutes 2022, section 171.06, subdivision 3, as amended by Laws 2023, chapter 13, article 1, section 3, is amended to read:

Subd. 3. Contents of application; other information. (a) An application must:

(1) state the full name, date of birth, sex, and either (i) the residence address of the applicant, or (ii) designated address under section 5B.05;

(2) as may be required by the commissioner, contain a description of the applicant and any other facts pertaining to the applicant, the applicant's driving privileges, and the applicant's ability to operate a motor vehicle with safety;

(3) state:

(i) the applicant's Social Security number; or

(ii) if the applicant does not have a Social Security number and is applying for a Minnesota identification card, instruction permit, or class D provisional or driver's license, that the applicant elects not to specify a Social Security number;

(4) contain a notification to the applicant of the availability of a living will/health care directive designation on the license under section 171.07, subdivision 7; and

(5) include a method for the applicant to:

(i) request a veteran designation on the license under section 171.07, subdivision 15, and the driving record under section 171.12, subdivision 5a;

(ii) indicate a desire to make an anatomical gift under subdivision 3b, paragraph (e);

(iii) as applicable, designate document retention as provided under section 171.12, subdivision 3c; ~~and~~

(iv) indicate emergency contacts as provided under section 171.12, subdivision 5b-; and

(v) indicate the applicant's race and ethnicity.

(b) Applications must be accompanied by satisfactory evidence demonstrating:

(1) identity, date of birth, and any legal name change if applicable; and

(2) for driver's licenses and Minnesota identification cards that meet all requirements of the REAL ID Act:

(i) principal residence address in Minnesota, including application for a change of address, unless the applicant provides a designated address under section 5B.05;

(ii) Social Security number, or related documentation as applicable; and

(iii) lawful status, as defined in Code of Federal Regulations, title 6, section 37.3.

(c) An application for an enhanced driver's license or enhanced identification card must be accompanied by:

(1) satisfactory evidence demonstrating the applicant's full legal name and United States citizenship; and

(2) a photographic identity document.

(d) A valid Department of Corrections or Federal Bureau of Prisons identification card containing the applicant's full name, date of birth, and photograph issued to the applicant is an acceptable form of proof of identity in an application for an identification card, instruction permit, or driver's license as a secondary document for purposes of Minnesota Rules, part 7410.0400, and successor rules.

(e) An application form must not provide for identification of (1) the accompanying documents used by an applicant to demonstrate identity, or (2) except as provided in paragraphs (b) and (c), the applicant's citizenship, immigration status, or lawful presence in the United States. The commissioner and a driver's license agent must not inquire about an applicant's citizenship, immigration status, or lawful presence in the United States, except as provided in paragraphs (b) and (c).

EFFECTIVE DATE. This section is effective for driver's license and identification card applications submitted on or after January 1, 2024.

Sec. 36. Minnesota Statutes 2022, section 171.07, subdivision 15, is amended to read:

Subd. 15. **Veteran designation.** (a) At the request of an eligible applicant and on payment of the required fee, the department shall issue, renew, or reissue to the applicant a driver's license or Minnesota identification card bearing a graphic or written designation of:

- (1) Veteran; or
- (2) Veteran 100% T&P.

(b) At the time of the initial application for the designation provided under this subdivision, the applicant must:

(1) be one of the following:

(i) a veteran, as defined in section 197.447; or

(ii) a retired member of the National Guard or a reserve component of the United States armed forces;

(2) have provide a certified copy of the ~~veteran's applicant's~~ discharge papers that confirms an honorable or general discharge under honorable conditions status, or a military retiree identification card, veteran identification card, or veteran health identification card; and

(3) if the applicant is seeking the disability designation under paragraph (a), clause (2), provide satisfactory evidence of a 100 percent total and permanent service-connected disability as determined by the United States Department of Veterans Affairs.

~~(e) The commissioner of public safety is required to issue drivers' licenses and Minnesota identification cards with the veteran designation only after entering a new contract or in coordination with producing a new card design with modifications made as required by law.~~

EFFECTIVE DATE; APPLICATION. This section is effective August 1, 2023, and applies to applications submitted on or after that date.

Sec. 37. **[171.301] REINTEGRATION LICENSE.**

Subdivision 1. Conditions of issuance. (a) The commissioner may issue a reintegration driver's license to any person:

(1) who is 18 years of age or older;

(2) who has been released from a period of at least 180 consecutive days of confinement or incarceration in:

(i) an adult correctional facility under the control of the commissioner of corrections or licensed by the commissioner of corrections under section 241.021;

(ii) a federal correctional facility for adults; or

(iii) an adult correctional facility operated under the control or supervision of any other state; and

(3) whose license has been suspended or revoked under the circumstances listed in section 171.30, subdivision 1, paragraph (a), clauses (1) to (4), for a violation that occurred before the individual was incarcerated for the period described in clause (2).

(b) If the person's driver's license or permit to drive has been revoked under section 169.792 or 169.797, the commissioner may only issue a reintegration driver's license to the person after the person has presented an insurance identification card, policy, or written statement indicating that the driver or owner has insurance coverage satisfactory to the commissioner.

(c) If the person's driver's license or permit to drive has been suspended under section 171.186, the commissioner may only issue a reintegration driver's license to the person after the commissioner receives notice of a court order provided pursuant to section 518A.65, paragraph (e), showing that the person's driver's license or operating privileges should no longer be suspended.

(d) If the person's driver's license has been revoked under section 171.17, subdivision 1, paragraph (a), clause (1), the commissioner may only issue a reintegration driver's license to the person after the person has completed the applicable revocation period.

(e) The commissioner must not issue a reintegration driver's license:

(1) to any person described in section 171.04, subdivision 1, clause (7), (8), (10), or (11);

(2) to any person described in section 169A.55, subdivision 5;

(3) if the person has committed a violation after the person was released from custody that results in the suspension, revocation, or cancellation of a driver's license, including suspension for nonpayment of child support or maintenance payments as described in section 171.186, subdivision 1; or

(4) if the issuance would conflict with the requirements of the nonresident violator compact.

(f) The commissioner must not issue a class A, class B, or class C reintegration driver's license.

Subd. 2. **Application.** (a) Application for a reintegration driver's license must be made in the form and manner approved by the commissioner.

(b) A person seeking a reintegration driver's license who was released from confinement or incarceration on or after April 1, 2024, must apply for the license within one year of release. A person seeking a reintegration driver's license who was released from confinement or incarceration before April 1, 2024, must apply for the license by April 1, 2025.

Subd. 3. **Fees prohibited.** (a) For a reintegration driver's license under this section:

(1) the commissioner must not impose:

(i) a fee, surcharge, or filing fee under section 171.06, subdivision 2; or

(ii) an endorsement fee under section 171.06, subdivision 2a; and

(2) a driver's license agent must not impose a filing fee under section 171.061, subdivision 4.

(b) Issuance of a reintegration driver's license does not forgive or otherwise discharge any unpaid fees or fines.

Subd. 4. **Cancellation of license.** (a) The commissioner must cancel the reintegration driver's license of any person who commits a violation that would result in the suspension, revocation, or cancellation of a driver's license, including suspension for nonpayment of child support or maintenance payments as described in section 171.186, subdivision 1. The commissioner must not cancel a reintegration driver's license for payment of a fine or resolution of a criminal charge if the underlying incident occurred before the reintegration driver's license was issued, unless the conviction would have made the person ineligible to receive a reintegration driver's license. Except as described in paragraph (b), a person whose reintegration driver's license is canceled under this subdivision may not be issued another reintegration driver's license and may not operate a motor vehicle for the remainder of the period of suspension or revocation or 30 days, whichever is longer.

(b) A person whose reintegration driver's license is canceled under paragraph (a) may apply for a new reintegration driver's license if the person is incarcerated or confined for a period of at least 180 consecutive days after the cancellation and the person meets the conditions described in subdivision 1.

(c) Nothing in this section prohibits cancellation and reinstatement of a reintegration driver's license for any other reason described in section 171.14 provided any factor making the person not eligible for a driver's license under section 171.04 occurred or became known to the commissioner after issuance of the reintegration driver's license.

Subd. 5. **Expiration.** A reintegration driver's license expires 15 months from the date of issuance of the license. A reintegration driver's license may not be renewed.

Subd. 6. **Issuance of regular driver's license.** (a) Notwithstanding any statute or rule to the contrary, the commissioner must issue a REAL ID-compliant or noncompliant license to a person who possesses a reintegration driver's license if:

(1) the person has possessed the reintegration driver's license for at least one full year;

(2) the reintegration driver's license has not been canceled under subdivision 4 and has not expired under subdivision 5;

(3) the person meets the application requirements under section 171.06, including payment of the applicable fees, surcharge, and filing fee under sections 171.06, subdivisions 2 and 2a, and 171.061, subdivision 4; and

(4) issuance of the license does not conflict with the requirements of the nonresident violator compact.

(b) The commissioner must forgive any outstanding balance due on a fee or surcharge under section 171.29, subdivision 2, for a person who is eligible and applies for a license under paragraph (a).

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

Sec. 38. **[171.395] TELECONFERENCE DRIVER EDUCATION PROGRAM.**

Subdivision 1. **Authorization.** A licensed driver education program that provides both classroom and behind-the-wheel instruction may provide teleconference driver education as provided in this section. For purposes of this section, the driver education program must provide both classroom and behind-the-wheel instruction. If a program partners or contracts with a second program to provide any portion of classroom or behind-the-wheel instruction, the first program is not eligible to provide teleconference driver education instruction.

Subd. 2. **Curriculum and instruction requirements.** (a) A teleconference driver education program must:

(1) meet the requirements as provided in section 171.0701, subdivision 1, and Minnesota Rules, chapter 7411, or successor rules;

(2) use teleconferencing, or another similar method, that provides live synchronous distance learning and ensures that student questions and comments can be addressed in real time;

(3) ensure all locations are linked using both picture and sound;

(4) use classroom instruction curriculum that is identical to the curriculum used by the driver education program in an in-person setting;

(5) provide teleconference instruction to any student that is enrolled in the approved driver education program; and

(6) provide teleconference interactive supplemental parent curriculum consistent with section 171.0701, subdivision 1a.

(b) A student may receive teleconference instruction only if the driver education instructor confirms that picture and sound allow the student to interact with the instructor in real time.

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

Sec. 39. **[171.396] ONLINE DRIVER EDUCATION PROGRAM.**

(a) A licensed driver education program may provide online driver education as provided in this section. The online driver education program must satisfy the requirements for classroom driver education as provided in section 171.0701, subdivision 1, and Minnesota Rules, chapter 7411. In addition, an online driver education program must:

(1) include a means for the student to measure performance outcomes;

(2) use a pool of rotating quiz questions;

(3) incorporate accountability features to ensure the identity of the student while engaged in the course of online study;

(4) measure the amount of time that the student spends in the course;

(5) provide technical support to customers that is available 24 hours per day, seven days per week;

(6) require a licensed Minnesota driver education instructor to monitor each student's progress and be available to answer questions in a timely manner, provided that the instructor is not required to monitor progress or answer questions in real time;

(7) store course content and student data on a secure server that is protected against data breaches and is regularly backed up;

(8) incorporate preventive measures in place to protect against the access of private information;

(9) include the ability to update course content uniformly throughout the state; and

(10) provide online interactive supplemental parental curriculum consistent with section 171.0701, subdivision 1a.

(b) Except as required by this section, the commissioner is prohibited from imposing requirements on online driver education programs that are not equally applicable to classroom driver education programs.

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

Sec. 40. Minnesota Statutes 2022, section 174.01, is amended by adding a subdivision to read:

Subd. 3. **Greenhouse gas emissions benchmarks.** (a) In association with the goals under subdivision 2, clauses (10) and (13) to (16), the commissioner of transportation must establish benchmarks for the statewide greenhouse gas emissions reduction goal under section 216H.02, subdivision 1.

(b) The benchmarks must include:

(1) establishment of proportional emissions reduction performance targets for the transportation sector;

(2) specification of the performance targets on a five-year or more frequent basis; and

(3) allocation across the transportation sector, which:

(i) must provide for an allocation to the metropolitan area, as defined in section 473.121, subdivision 2;

(ii) must account for differences in the feasibility and extent of emissions reductions across forms of land use and across regions of the state; and

(iii) may include performance targets based on Department of Transportation district, geographic region, a per capita calculation, or transportation mode, or a combination.

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

Sec. 41. Minnesota Statutes 2022, section 174.03, subdivision 1c, is amended to read:

Subd. 1c. **Minnesota state highway investment plan.** Within one year of each revision of the statewide multimodal transportation plan under subdivision 1a, the commissioner must prepare a 20-year Minnesota state highway investment plan that:

(1) incorporates performance measures and targets for assessing progress and achievement of the state's transportation goals, objectives, and policies identified in this chapter for the state trunk highway system, and those goals, objectives, and policies established in the statewide multimodal transportation plan. Performance targets must be based on objectively verifiable measures, and address, at a minimum:

(i) preservation and maintenance of the structural condition of state highway roadways, bridges, pavements, roadside infrastructure, and traveler-related facilities;

(ii) safety; and

(iii) mobility;

(2) summarizes trends and impacts for each performance target over the past five years;

(3) summarizes the amount and analyzes the impact of the department's capital investments and priorities over the past five years on each performance target, including a comparison of prior plan projected costs with actual costs;

(4) identifies the investments required to meet the established performance targets over the next 20-year period;

(5) projects available state and federal funding over the 20-year period, including any unique, competitive, time-limited, or focused funding opportunities;

(6) identifies strategies to ensure the most efficient use of existing transportation infrastructure, and to maximize the performance benefits of projected available funding;

(7) establishes investment priorities for projected funding, which must:

(i) provide for cost-effective preservation, maintenance, and repair to address the goal under section 174.01, subdivision 2, clause (9), in a manner that aligns with other goals in that section;

(ii) as appropriate, provide a schedule of major projects or improvement programs for the 20-year period; and

(iii) identify resulting projected costs and impact on performance targets; ~~and~~

(8) identifies those performance targets identified under clause (1) not expected to meet the target outcome over the 20-year period together with alternative strategies that could be implemented to meet the targets; and

(9) establishes procedures and guidance for capacity expansion project development to conform with section 161.178, subdivision 2, paragraph (a).

EFFECTIVE DATE. This section is effective the day following final enactment and applies to plan revisions adopted on or after that date.

Sec. 42. **[174.46] DISADVANTAGED COMMUNITIES CARSHARING GRANT ACCOUNT; GRANTS.**

(a) The disadvantaged communities carsharing grant account is established in the special revenue fund. The account consists of funds provided by law and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account is annually appropriated to the commissioner to make grants as provided in paragraph (b).

(b) The commissioner must administer a program to provide grants to nonprofit organizations or carsharing operators to support the growth of carsharing in disadvantaged communities through programs, marketing, and community engagement. A grant recipient may use grant proceeds for capital and operational costs of a program. Eligible grant recipients must be based in Minnesota and be either a nonprofit organization or carsharing operator, with a preference given to nonprofit carsharing operators. Transportation management organizations are not eligible to receive grants under this section.

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

Sec. 43. **[174.47] ELECTRIC VEHICLE INFRASTRUCTURE PROGRAM.**

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

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

(c) "Program" means the electric vehicle infrastructure program established in this section.

(d) "Project" includes but is not limited to planning, predesign, design, preliminary and final engineering, environmental analysis, property acquisition, construction, and maintenance.

Subd. 2. **Electric vehicle infrastructure program.** The commissioner must establish a statewide electric vehicle infrastructure program for the purpose of implementing the National Electric Vehicle Infrastructure Formula Program and successor programs to maximize the use of federal funds available to the state.

Subd. 3. **Authority to contract.** The commissioner may enter into an agreement with any private or public entity to provide financial assistance for, or engage in the planning, designing, developing, hosting, constructing, equipping, operating, or maintaining of, electric vehicle infrastructure, including but not limited to environmental studies, preliminary engineering, final design, construction, and developing financial and operating plans.

Subd. 4. **Program requirements.** (a) The commissioner must require that electric vehicle infrastructure funded under the program is constructed, installed, and maintained in conformance with the requirements under Code of Federal Regulations, title 23, section 680.106, paragraph (j), or successor requirements.

(b) An electric vehicle infrastructure project that receives funds under the program is subject to the requirement of paying the prevailing wage rate as defined in section 177.42, and the requirements and enforcement provisions in sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

Subd. 5. **Report.** (a) Every even-numbered year by February 1, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance regarding the electric vehicle infrastructure program. At a minimum, the report must include:

(1) an itemization of federal funds spent for the program, including the purpose of the expenditure and the recipient of the expenditure;

(2) an itemization of state funds spent for the program, including the purpose of the expenditure and the recipient of the expenditure;

(3) the amount of money, from any source, that was used for department staff related to the program;

(4) any changes to the plan that were made since the previous report was submitted;

(5) the locations of electric vehicle infrastructure created with the program, including the type of infrastructure and whether the infrastructure is on public or private property;

(6) a description of how projects were selected; and

(7) a description of how the commissioner is ensuring electric vehicle infrastructure is regionally balanced.

(b) The commissioner is not required to submit a report pursuant to this subdivision if, since the previous report was submitted, no money has been spent pursuant to this section.

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

Sec. 44. Minnesota Statutes 2022, section 219.015, subdivision 2, is amended to read:

Subd. 2. **Railroad company assessment; account; appropriation.** (a) As provided in this subdivision, the commissioner shall annually assess railroad companies that are (1) defined as common carriers under section 218.011; (2) classified by federal law or regulation as Class I Railroads, Class I Rail Carriers, Class II Railroads, or Class II Rail Carriers; and (3) operating in this state.

(b) The assessment must be calculated to allocate state rail safety inspection program costs proportionally among carriers based on route miles operated in Minnesota at the time of assessment. The commissioner must include in the assessment calculation all state rail safety inspection program costs to support up to ~~four~~ six rail safety inspector positions, including but not limited to salary, administration, supervision, travel, equipment, training, and ongoing state rail inspector duties.

(c) The assessments collected under this subdivision must be deposited in a state rail safety inspection account, which is established in the special revenue fund. The account consists of funds provided by this subdivision and any other money donated, allotted, transferred, or otherwise provided

to the account. Money in the account is appropriated to the commissioner to administer the state rail safety inspection program.

Sec. 45. **[219.055] INCIDENT EMERGENCY RESPONSE; PREPAREDNESS AND INFORMATION.**

Subdivision 1. **Definitions.** (a) The definitions in section 115E.01 apply to this section except as otherwise provided in this subdivision. For purposes of this section, the following terms have the meanings given.

(b) "Applicable emergency manager" means an emergency manager having jurisdiction along the routes over which oil or other hazardous substance cargo is transported by a rail carrier.

(c) "Applicable fire department officer" means a fire chief or other senior officer of a fire department having jurisdiction along the routes over which oil or other hazardous substance cargo is transported by a rail carrier.

(d) "Emergency manager" means the director of a local organization for emergency management under section 12.25.

(e) "Hazardous substance" means any material identified in the definition of hazardous substance under section 115B.02, subdivision 8, or Code of Federal Regulations, title 49, section 171.8.

(f) "Incident commander" means the official who has responsibility under National Incident Management System guidelines for all aspects of emergency response operations at an incident scene, including directing and controlling resources.

(g) "Rail carrier" means a railroad company that is:

(1) defined as a common carrier under section 218.011, subdivision 10;

(2) classified by federal law or regulation as a Class I Railroad, Class I Rail Carrier, Class II Railroad, Class II Rail Carrier, Class III Railroad, or Class III Rail Carrier; and

(3) operating in this state.

Subd. 2. **Traffic review.** Within ten business days of receiving a written request, a rail carrier must provide a traffic review to the commissioner of public safety, a requesting emergency manager, or a fire chief having jurisdiction along the routes over which oil or other hazardous substances are transported. The traffic review under this subdivision must include information on the types and volumes of oil or other hazardous substances transported through the requester's jurisdiction during the prior calendar year.

Subd. 3. **Emergency response planning; information sharing.** Upon written request, a rail carrier must provide to the commissioner of public safety, an emergency manager, or a fire chief having jurisdiction along the routes over which oil or other hazardous substances are transported:

(1) a complete copy of prevention and response plans submitted under section 115E.042, subdivision 6; and

(2) a copy of the data and information, including risk assessment information, used to develop the rail carrier's route analysis as required under Code of Federal Regulations, title 49, section 172.820, or successor requirements.

Subd. 4. Emergency response planning; coordination meetings. (a) Within 30 days of receiving a written request, a rail carrier must be available to meet with the commissioner of public safety, a requesting emergency manager, or a fire chief having jurisdiction along the routes over which oil or other hazardous substances are transported concerning emergency response planning and coordination.

(b) At a meeting held under this subdivision, a rail carrier must provide:

(1) a review of the rail carrier's emergency response planning and capability, including railroad response timelines and resources to provide:

(i) technical advice and recommendations;

(ii) trained response personnel;

(iii) specialized equipment; and

(iv) any other available resources to support an incident commander who conducts a public safety emergency response under the National Incident Management System; and

(2) inventory information on emergency responses involving oil or other hazardous substances, consisting of:

(i) equipment owned by the rail carrier, including equipment type and location;

(ii) the rail carrier's response personnel, including contact information and location; and

(iii) resources available to the rail carrier through contractual agreements.

Subd. 5. Real-time emergency response information. (a) The commissioner of public safety must, through the Minnesota Fusion Center, receive and disseminate emergency response information as provided under section 7302 of the FAST Act of 2015, Public Law 114-94, and federal regulations adopted under that section.

(b) On and after July 1, 2024, all rail carriers subject to this section and section 115E.042 must collectively provide information on the transportation of oil or other hazardous substances in a digital format through a wireless communication device application.

Subd. 6. Public safety emergency response exercises. (a) Upon request, each rail carrier must conduct one tabletop public safety emergency response exercise in each emergency management region where the rail carrier transports oil or other hazardous substances. The tabletop exercise must be conducted by July 1, 2025, and July 1 every two years thereafter.

(b) Each rail carrier must conduct one full-scale public safety emergency response exercise every four years.

(c) In an emergency management region where more than one rail carrier operates, the rail carriers may conduct the tabletop and full-scale exercises jointly or may alternate among rail carriers to conduct the exercises.

(d) The rail carriers must conduct the tabletop and full-scale exercises in full coordination with the commissioner of public safety, any interested emergency managers, and fire chiefs having jurisdiction within the applicable emergency management region along the routes over which oil or other hazardous substances are transported. Each tabletop and full-scale exercise conducted under this subdivision must be attended by safety representatives of railroad employees governed by the Railway Labor Act, United States Code, title 45, section 151, et seq.

(e) To the extent feasible, the rail carriers must coordinate the tabletop and full-scale exercises among each other and with exercises under section 115E.042, subdivision 5.

Subd. 7. Incident commander response site exercises. (a) Upon request, each rail carrier must conduct one tabletop incident commander emergency exercise in each emergency management region where the rail carrier transports oil or other hazardous substances. The tabletop exercise must be conducted under the time limits provided in section 115E.042, subdivision 4, and coordinate the railroad's response actions and recommendations to the incident commander regarding the response as provided in section 115E.042, subdivision 3.

(b) Each rail carrier must conduct one full-scale incident commander response site exercise every four years.

(c) In an emergency management region where more than one rail carrier operates, the rail carriers may conduct the incident commander response site tabletop and full-scale exercises jointly or may alternate among rail carriers to conduct the exercises.

(d) The rail carriers must conduct the incident commander response site tabletop and full-scale exercises with the commissioner of public safety, any interested emergency managers, any interested incident commanders, and fire chiefs having jurisdiction within the applicable emergency management region along the routes over which oil or other hazardous substances are transported. Each tabletop and full-scale exercise conducted under this subdivision must be attended by safety representatives of railroad employees governed by the Railway Labor Act, United States Code, title 45, section 151, et seq.

(e) A rail carrier must provide by telephone a qualified company representative with knowledge of the rail carrier's response resources during the exercises.

Subd. 8. Transportation and response planning data. (a) Any data provided under subdivisions 2 to 7 to an emergency manager, incident commander, emergency first responder, fire chief, or the commissioner of public safety are nonpublic data, as defined under section 13.02, subdivision 9.

(b) Any prevention and response plan data created under section 115E.042, subdivision 6, that is in the possession of an emergency manager, incident commander, emergency first responder, or fire chief are nonpublic data, as defined in section 13.02, subdivision 9.

Sec. 46. Minnesota Statutes 2022, section 219.1651, is amended to read:

219.1651 GRADE CROSSING SAFETY ACCOUNT.

A Minnesota grade crossing safety account is created in the special revenue fund, consisting of money credited to the account by law. Money in the account is appropriated to the commissioner of transportation for rail-highway grade crossing safety projects on public streets and highways, including engineering costs and other costs associated with administration and delivery of grade crossing safety projects. At the discretion of the commissioner of transportation, money in the account at the end of each biennium may cancel to the trunk highway fund.

Sec. 47. [219.752] MINIMUM CREW SIZE.

(a) For purposes of this section, "shared corridor" means a segment of railroad track in which light rail transit operates within or adjacent to right-of-way used in freight rail operation.

(b) A Class I Railroad, Class II Railroad, or a railroad while operating in a shared corridor must not operate a train or light engine used in connection with the movement of freight unless it has a crew of a minimum of two individuals. This section does not apply to hostler services or utility employees.

(c) Any railroad that willfully violates this section must pay a fine of not less than \$250 or more than \$1,000 for a first offense, not less than \$1,000 or more than \$5,000 for a second offense committed within three years of the first offense, and not less than \$5,000 nor more than \$10,000 for a third or subsequent offense committed within three years of the first offense.

(d) Fines prescribed in this section must be recovered in a civil action before a judge of the county in which the violation occurs.

EFFECTIVE DATE. This section is effective 30 days following final enactment.

Sec. 48. Minnesota Statutes 2022, section 222.37, subdivision 1, is amended to read:

Subdivision 1. **Use requirements.** Any water power, telegraph, telephone, pneumatic tube, pipeline, community antenna television, cable communications or electric light, heat, power company, entity that receives a route permit under chapter 216E for a high-voltage transmission line necessary to interconnect an electric power generating facility with transmission lines or associated facilities of an entity that directly, or through its members or agents, provides retail electric service in the state, or fire department may use public roads for the purpose of constructing, using, operating, and maintaining lines, subways, canals, conduits, transmission lines, hydrants, or dry hydrants, for their business, but such lines shall be so located as in no way to interfere with the safety and convenience of ordinary travel along or over the same; and, in the construction and maintenance of such line, subway, canal, conduit, transmission lines, hydrants, or dry hydrants, the ~~company~~ entity shall be subject to all reasonable regulations imposed by the governing body of any county, town or city in which such public road may be. If the governing body does not require the ~~company~~ entity to obtain a permit, ~~a company~~ an entity shall notify the governing body of any county, town, or city having jurisdiction over a public road prior to the construction or major repair, involving extensive excavation on the road right-of-way, of the ~~company's~~ entity's equipment along, over, or under the public road, unless the governing body waives the notice requirement. A waiver of the notice requirement must be renewed on an annual basis. For emergency repair ~~a company~~ an entity shall notify the governing body as soon as practical after the repair is made. Nothing herein shall be construed to grant to any

person any rights for the maintenance of a telegraph, telephone, pneumatic tube, community antenna television system, cable communications system, or light, heat, power system, electric power generating system, high-voltage transmission line, or hydrant system within the corporate limits of any city until such person shall have obtained the right to maintain such system within such city or for a period beyond that for which the right to operate such system is granted by such city.

Sec. 49. **[290.0687] ELECTRIC-ASSISTED BICYCLE CREDIT.**

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

(b) "Electric-assisted bicycle" has the meaning given in section 169.011, subdivision 27, except that the term is limited to a new electric-assisted bicycle purchased from an electric-assisted-bicycle retailer.

(c) "Qualifying accessories" means a bicycle helmet, lights, lock, luggage rack, basket, bag or backpack, fenders, or reflective clothing.

Subd. 2. **Credit allowed.** (a) An individual who is a resident of Minnesota is allowed a credit against the tax imposed by this chapter equal to 75 percent of the amount paid for an electric-assisted bicycle in the taxable year, including any qualifying accessories. The credit is limited to \$1,500, except for a married taxpayer filing a joint return, the limit is \$1,500 per spouse.

(b) The credit percentage in paragraph (a) is reduced by one percentage point until the credit percentage equals 50 percent, for each \$4,000 of adjusted gross income for the taxable year ending in the calendar year prior to the calendar year in excess of:

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

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

A taxpayer may claim the credit under this section only once. For married taxpayers filing a joint return, each spouse may claim the credit once.

(c) For purposes of determining the credit under this section, the commissioner must use the taxpayer's adjusted gross income for the taxable year ending in the calendar year prior to the calendar year in which the taxpayer applies for the credit under subdivision 3, paragraph (a).

Subd. 3. **Application; administration of credit; transferability.** (a) To claim the credit under this section, a taxpayer must submit to the commissioner an application for the credit in the form prescribed by the commissioner.

(b) Upon approving an application for a credit, the commissioner must issue a credit certificate to an eligible taxpayer stating the credit percentage, the taxable year for which the credit is allocated, and maximum credit for which the taxpayer is eligible. For a married taxpayer filing a joint return, each spouse may apply to the commissioner separately, and the commissioner must issue each spouse a separate credit certificate.

(c) The commissioner must allocate credits on a first-come, first-served basis, except that the commissioner must reserve 40 percent of the credits for a married taxpayer filing a joint return with

an adjusted gross income of less than \$78,000 or any other filer with an adjusted gross income of less than \$41,000. Any portion of a taxable year's allocation under this paragraph that is not allocated by September 30 of the taxable year is available for allocation to other credit applications beginning on October 1.

(d) The commissioner must not allocate an amount of credits totaling more than \$2,000,000 each year. If the entire annual amount is not allocated in the taxable year beginning after December 31, 2023, and before January 1, 2025, any remaining amount is available for the taxable year beginning after December 31, 2024, and before January 1, 2026. The commissioner must not award any credits for taxable years beginning after December 31, 2025.

Subd. 4. **Credit refundable; appropriation.** If the amount of credit which the taxpayer is eligible to receive under this section exceeds the taxpayer's tax liability under this chapter, the commissioner must refund the excess to the taxpayer. An amount sufficient to pay the refunds allowed under this section is appropriated to the commissioner from the general fund.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2023, and before January 1, 2026.

Sec. 50. Minnesota Statutes 2022, section 297A.64, subdivision 1, is amended to read:

Subdivision 1. **Tax imposed.** (a) A tax is imposed on the lease or rental in this state for not more than 28 days of a passenger automobile as defined in section 168.002, subdivision 24, a van as defined in section 168.002, subdivision 40, or a pickup truck as defined in section 168.002, subdivision 26. The rate of tax is 9.2 percent of the sales price. The tax applies whether or not the vehicle is licensed in the state.

(b) The provisions of paragraph (a) do not apply to the vehicles of a nonprofit corporation or similar entity consisting of individual or group members who pay the organization for the use of a motor vehicle if the organization:

(1) owns, leases, or operates a fleet of vehicles of the type subject to the tax under this subdivision that are available to its members for use, priced on the basis of intervals of one hour or less;

(2) parks its vehicles in the public right-of-way or at unstaffed, self-service locations that are accessible at any time of the day; and

(3) maintains its vehicles, insures its vehicles on behalf of its members, and purchases fuel for its fleet.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 51. Minnesota Statutes 2022, section 297A.64, subdivision 2, is amended to read:

Subd. 2. **Fee imposed.** (a) A fee equal to five percent of the sales price is imposed on leases or rentals of vehicles subject to the tax under subdivision 1. The lessor on the invoice to the customer may designate the fee as "a fee imposed by the State of Minnesota for the registration of rental cars."

(b) The provisions of this subdivision do not apply to the vehicles of a nonprofit corporation or similar entity, consisting of individual or group members who pay the organization for the use of a motor vehicle, if the organization:

(1) owns or leases a fleet of vehicles of the type subject to the tax under subdivision 1 that are available to its members for use, priced on the basis of intervals of one hour or less;

(2) parks its vehicles in the public right-of-way or at unstaffed, self-service locations that are accessible at any time of the day; and

(3) maintains its vehicles, insures its vehicles on behalf of its members, and purchases fuel for its fleet; ~~and.~~

~~(4) does not charge usage rates that decline on a per unit basis, whether specified based on distance or time.~~

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 52. Minnesota Statutes 2022, section 299A.01, is amended by adding a subdivision to read:

Subd. 8. Traffic safety report. Annually by January 2, the commissioner of public safety must submit a traffic safety report to the governor and the chairs and ranking minority members of the legislative committees with jurisdiction over traffic safety and enforcement. In preparing the report, the commissioner must seek advice and comments from the Advisory Council on Traffic Safety under section 4.076. The report must analyze the safety of Minnesota's roads and transportation system, including but not limited to:

(1) injuries and fatalities that occur on or near a roadway or other transportation system facility;

(2) factors that caused crashes resulting in injuries and fatalities;

(3) roadway and system improvements broadly and at specific locations that could reduce injuries and fatalities;

(4) enforcement and education efforts that could reduce injuries and fatalities;

(5) other safety improvements or programs to improve the quality of the roadway and transportation use experience; and

(6) existing resources and resource gaps for roadway and transportation system safety improvements.

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

Sec. 53. Minnesota Statutes 2022, section 299A.55, is amended to read:

299A.55 RAILROAD AND PIPELINE SAFETY; OIL AND OTHER HAZARDOUS MATERIALS SUBSTANCES.

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

(b) "Applicable rail carrier" means a railroad company that is subject to an assessment under section 219.015, subdivision 2.

(c) "Emergency manager" has the meaning given in section 219.055, subdivision 1.

(d) "Hazardous substance" has the meaning given in section 115B.02, subdivision 8 means any material identified in the definition of hazardous substance under section 115B.02, subdivision 8, or Code of Federal Regulations, title 49, section 171.8.

(~~d~~) (e) "Incident compelling a significant response" means an event involving rail carrier or pipeline company operations and a derailment, collision, discharge, or other similar activity resulting in applicable response actions performed by firefighters, peace officers, incident commanders, emergency managers, or emergency first responders. For purposes of this paragraph, "applicable response actions" consist of one or more of the following: a request for mutual aid or special response resources, establishment of an exclusion zone, an order for evacuation or shelter in place, or emergency notification to the general public.

(f) "Oil" has the meaning given in section 115E.01, subdivision 8.

(~~e~~) (g) "Pipeline company" means any individual, partnership, association, or public or private corporation who owns and operates pipeline facilities and is required to show specific preparedness under section 115E.03, subdivision 2.

Subd. 2. **Railroad and pipeline safety account.** (a) A railroad and pipeline safety account is created in the special revenue fund. The account consists of funds collected under subdivision 4 and funds donated, allotted, transferred, or otherwise provided to the account.

(b) ~~\$104,000~~ \$140,000 is annually appropriated from the railroad and pipeline safety account to the commissioner of the Pollution Control Agency for environmental protection activities related to railroad discharge preparedness under chapter 115E.

(c) \$600,000 in fiscal year 2018 and \$600,000 in fiscal year 2019 are appropriated \$750,000 in fiscal year 2024 and \$1,500,000 in each subsequent fiscal year are transferred from the railroad and pipeline safety account to the commissioner of transportation for improving safety at railroad grade crossings grade crossing safety account under section 219.1651.

(d) Following the appropriation in ~~paragraphs~~ paragraph (b) and the transfer in paragraph (c), the remaining money in the account is annually appropriated to the commissioner of public safety for the purposes specified in subdivision 3.

Subd. 3. **Allocation of funds.** (a) Subject to funding appropriated for this subdivision, the commissioner shall provide funds for training and response preparedness related to (1) derailments, discharge incidents, or spills involving trains carrying oil or other hazardous substances, and (2) pipeline discharge incidents or spills involving oil or other hazardous substances.

(b) The commissioner shall allocate available funds as follows:

(1) \$100,000 annually for emergency response teams; and

(2) the remaining amount to the Board of Firefighter Training and Education under section 299N.02 ~~and~~, the Division of Homeland Security and Emergency Management, and the State Fire Marshal Division.

(c) Prior to making allocations under paragraph (b), the commissioner shall consult with the Fire Service Advisory Committee under section 299F.012, subdivision 2.

(d) The commissioner and the entities identified in paragraph (b), clause (2), shall prioritize uses of funds based on:

(1) ~~firefighter~~ training needs for firefighters, emergency managers, incident commanders, and emergency first responders;

(2) community risk from discharge incidents or spills;

(3) geographic balance;

(4) risks to the general public; and

(5) recommendations of the Fire Service Advisory Committee.

(e) The following are permissible uses of funds provided under this subdivision:

(1) training costs, which may include, but are not limited to, training curriculum, trainers, trainee overtime salary, other personnel overtime salary, and tuition;

(2) costs of gear and equipment related to hazardous materials readiness, response, and management, which may include, but are not limited to, original purchase, maintenance, and replacement;

(3) supplies related to the uses under clauses (1) and (2); ~~and~~

(4) emergency preparedness planning and coordination;

(5) emergency response team costs;

(6) public safety emergency response exercises under section 219.055, subdivision 6;

(7) incident commander and response site response exercises under section 219.055, subdivision 7;

(8) postincident review and analysis under subdivision 5, based on costs incurred to state agencies and local units of government; and

(9) public education and outreach, including but not limited to:

(i) informing and engaging the public regarding hazards of derailments and discharge incidents;

(ii) assisting the development of evacuation readiness;

(iii) undertaking public information campaigns; and

(iv) providing accurate information to the media on likelihood and consequences of derailments and discharge incidents.

(f) Notwithstanding paragraph (b), clause (2), from funds in the railroad and pipeline safety account provided for the purposes under this subdivision, the commissioner may retain a balance in the account for budgeting in subsequent fiscal years.

Subd. 4. **Assessments.** (a) The commissioner of public safety shall annually assess ~~\$2,500,000~~ \$4,000,000 to railroad and pipeline companies based on the formula specified in paragraph (b). The commissioner shall deposit funds collected under this subdivision in the railroad and pipeline safety account under subdivision 2.

(b) The assessment for each railroad is ~~50~~ 70 percent of the total annual assessment amount, divided in equal proportion between applicable rail carriers based on route miles operated in Minnesota. The assessment for each pipeline company is ~~50~~ 30 percent of the total annual assessment amount, divided in equal proportion between companies based on the yearly aggregate gallons of oil and other hazardous substance substances transported by pipeline in Minnesota.

~~(c) The assessments under this subdivision expire July 1, 2017~~ (c) In addition to the amount identified in paragraph (a), the commissioner must assess the rail carrier or pipeline company involved in an incident compelling a significant response for all postincident review and analysis costs under subdivision 5 incurred by the state and local units of government. This paragraph applies regardless of whether an assessment is imposed under paragraph (a) in a fiscal year.

Subd. 5. **Postincident review and analysis; legislative report; data.** (a) After an incident compelling a significant response, or upon request of a fire chief or emergency manager after an incident, the commissioner must ensure a postincident review and analysis is performed in a timely manner. The review and analysis must be undertaken under an agreement with an entity having relevant knowledge and experience that is fully independent of the state, any local units of government involved in the incident, rail carriers, and pipeline companies.

(b) The review and analysis process must include an after action review and must evaluate, at a minimum, processes occurring during the incident for emergency assessment, hazard operations, population protection, and incident management. The review and analysis must be designed to minimize duplication of topics and issues addressed in any federal review of the incident.

(c) By March 1 following any calendar year in which one or more postincident reviews and analyses are performed, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation and public safety policy and finance. The report must:

(1) provide a summary of the incidents;

(2) identify findings, lessons learned, and process changes; and

(3) make recommendations for legislative changes, if any.

(d) Except for the report under paragraph (c), any data under this subdivision are nonpublic data, as defined under section 13.02, subdivision 9.

Sec. 54. Minnesota Statutes 2022, section 360.915, subdivision 6, is amended to read:

Subd. 6. **Administration.** ~~(a)~~ The commissioner must maintain records on stand-alone meteorological towers under this section and must provide information on stand-alone meteorological tower locations on the department's website.

~~(b) The commissioner must deposit revenue received under this section in the state airports fund.~~

Sec. 55. Laws 2005, First Special Session chapter 6, article 3, section 103, is amended to read:

Sec. 103. ADDITIONAL DEPUTY REGISTRAR OF MOTOR VEHICLES FOR HENNEPIN COUNTY.

Notwithstanding Minnesota Statutes, section 168.33, and rules adopted by the commissioner of public safety, limiting sites for the office of deputy registrar based on either the distance to an existing deputy registrar office or the annual volume of transactions processed by any deputy registrar within Hennepin County before or after the proposed appointment, the commissioner of public safety shall appoint a new deputy registrar of motor vehicles and driver's license agent for Hennepin County to operate a new full-service office of deputy registrar, with full authority to function as a registration and motor vehicle tax collection and driver's license bureau, at the Midtown Exchange Building and the North Minneapolis Service Center at 1001 Plymouth Avenue North in the city of Minneapolis. The addition of a deputy registrar shall make the North Minneapolis Service Center a full-service office of deputy registrar with full authority to function as a registration and motor vehicle tax collection and driver's license bureau. All other provisions regarding the appointment and operation of a deputy registrar of motor vehicles and driver's license agent under Minnesota Statutes, sections 168.33 and 171.061, and Minnesota Rules, chapter 7406, apply to the office.

Sec. 56. ADDITIONAL DEPUTY REGISTRAR OF MOTOR VEHICLES FOR RAMSEY COUNTY.

Notwithstanding Minnesota Statutes, section 168.33, and rules adopted by the commissioner of public safety limiting sites for the office of deputy registrar based on either the distance to an existing deputy registrar office or the annual volume of transactions processed by any deputy registrar within Ramsey County before or after the proposed appointment, the commissioner of public safety shall appoint a new private deputy registrar of motor vehicles to operate a new office of deputy registrar, with full authority to function as a registration and motor vehicle tax collection bureau, at or in the vicinity of the Hmong Village shopping center at 1001 Johnson Parkway in the city of St. Paul. All other provisions regarding the appointment and operation of a deputy registrar of motor vehicles under Minnesota Statutes, section 168.33, and Minnesota Rules, chapter 7406, apply to the office.

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

Sec. 57. CLEAN TRANSPORTATION STANDARD AND SUSTAINABLE AVIATION FUEL WORKING GROUP; REPORT REQUIRED.

Subdivision 1. **Creation.** By August 1, 2023, the commissioners of the Pollution Control Agency, transportation, commerce, and agriculture must convene a Clean Transportation Standard and Sustainable Aviation Fuel Working Group to study and address information gaps and opportunities related to a clean transportation standard that requires the aggregate carbon intensity of transportation fuel supplied to Minnesota be reduced to at least 25 percent below the 2018 baseline level by the end of 2030, by 75 percent by the end of 2040, and by 100 percent by the end of 2050. The task force must also study how to incentivize the production and use of sustainable aviation fuel and consult with aviation industry representatives to determine the production levels needed to deliver net-zero emissions in aviation by 2050.

Subd. 2. **Membership.** Appointments to the working group are made pursuant to Minnesota Statutes, section 15.0597. Appointments to the working group must attempt to achieve equitable representation from agricultural interests, renewable fuel producers, transportation fuel producers, technology providers, Tribal communities, environmental organizations, science organizations, environmental justice organizations, automotive manufacturers, forestry interests, electric utilities, electric vehicle charging infrastructure companies, aviation interests, and water quality interests.

Subd. 3. **Administration.** Appointments and designations to the working group authorized by this section must be completed by July 1, 2023. Public members serve without compensation or payment of expenses. The members of the working group must select a chair from its membership who must not be a commissioner or their designee.

Subd. 4. **Report.** By February 1, 2024, the working group must submit its findings and recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation and energy policy.

Subd. 5. **Expiration.** The working group expires on January 1, 2025, or upon submission of the report required under subdivision 4, whichever is earlier.

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

Sec. 58. ELECTRIC VEHICLE TAX AND REGISTRATION STUDY REQUIRED.

By January 1, 2024, the commissioners of transportation and management and budget must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation and finance policy regarding the equalization of registration fees imposed on electric vehicles with the gasoline tax revenue generated by gasoline-powered vehicles. The study must, at a minimum, evaluate proposals and recommend legislation to determine the amount of revenue needed from registration fees of electric vehicles, plug-in hybrid electric vehicles, and vehicles with efficient gasoline consumption characteristics to equalize the revenue lost from the gasoline tax.

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

Sec. 59. FEDERAL TRANSPORTATION GRANTS TECHNICAL ASSISTANCE.

Subdivision 1. **Definition.** For purposes of this section, "commissioner" means the commissioner of transportation.

Subd. 2. **Technical assistance grants.** (a) Subject to an appropriation, the commissioner must establish a process to provide grants for technical assistance to a requesting local unit of government or Tribal government that seeks to submit an application for a federal discretionary grant for a transportation-related purpose.

(b) A transportation-related purpose includes but is not limited to a project, a program, planning, program delivery, administrative costs, ongoing operations, and other related expenditures. Technical assistance includes but is not limited to hiring consultants for identification of available grants, grant writing, analysis, data collection, technical review, legal interpretations necessary to complete an application, planning, pre-engineering, application finalization, and similar activities.

Subd. 3. **Evaluation criteria.** (a) The commissioner must establish a process for solicitation, submission of requests for technical assistance, screening requests, and award of technical assistance grants.

(b) The process must include criteria for projects or purposes that:

(1) address or mitigate the impacts of climate change, including through:

(i) reduction in transportation-related pollution or emissions; and

(ii) improvements to the resiliency of infrastructure that is subject to long-term risks from natural disasters, weather events, or changing climate conditions;

(2) are located in areas of persistent poverty or historically disadvantaged communities disrupted, displaced, or otherwise harmed by the past infrastructure decisions as measured and defined in federal law, guidance, and notices of funding opportunity;

(3) improve safety for motorized and nonmotorized users;

(4) are located in townships or in cities that are eligible for small cities assistance aid under Minnesota Statutes, section 162.145;

(5) support grants to Tribal governments; and

(6) provide for geographic balance of grants throughout the state.

Subd. 4. **Limitations.** (a) A technical assistance grant may not exceed \$30,000.

(b) The commissioner may not award more than one grant to each unit of government in a calendar year. The commissioner may award multiple grants to a Tribal government in a calendar year.

(c) Not less than 15 percent of the available funding must be reserved for Tribal governments. Not less than 15 percent of the available funding must be reserved for townships and for cities that are eligible for small cities assistance aid under Minnesota Statutes, section 162.145. Unused reserved funds at the end of a fiscal year may be used for grants to any eligible recipient in the following fiscal year.

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

Sec. 60. **FINANCIAL REVIEW OF GRANT AND BUSINESS SUBSIDY RECIPIENTS.**

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

(b) "Grant" means a grant or business subsidy funded by an appropriation in this act.

(c) "Grantee" means a business entity as defined in Minnesota Statutes, section 5.001.

Subd. 2. **Financial information required; determination of ability to perform.** Before an agency awards a competitive, legislatively named, single source, or sole source grant, the agency must assess the risk that a grantee cannot or would not perform the required duties. In making this assessment, the agency must review the following information:

(1) the grantee's history of performing duties similar to those required by the grant, whether the size of the grant requires the grantee to perform services at a significantly increased scale, and whether the size of the grant will require significant changes to the operation of the grantee's organization;

(2) for a grantee that is a nonprofit organization, the grantee's Form 990 or Form 990-EZ filed with the Internal Revenue Service in each of the prior three years. If the grantee has not been in existence long enough or is not required to file Form 990 or Form 990-EZ, the grantee must demonstrate to the grantor's satisfaction that the grantee is exempt and must instead submit the grantee's most recent board-reviewed financial statements and documentation of internal controls;

(3) for a for-profit business, three years of federal and state tax returns, current financial statements, certification that the business is not under bankruptcy proceedings, and disclosure of any liens on its assets. If a business has not been in business long enough to have three years of tax returns, the grantee must demonstrate to the grantor's satisfaction that the grantee has appropriate internal financial controls;

(4) evidence of registration and good standing with the secretary of state under Minnesota Statutes, chapter 317A, or other applicable law;

(5) if the grantee's total annual revenue exceeds \$750,000, the grantee's most recent financial audit performed by an independent third party in accordance with generally accepted accounting principles; and

(6) certification, provided by the grantee, that none of its principals have been convicted of a financial crime.

Subd. 3. **Additional measures for some grantees.** The agency may require additional information and must provide enhanced oversight for grants that have not previously received state or federal grants for similar amounts or similar duties and so have not yet demonstrated the ability to perform the duties required under the grant on the scale required.

Subd. 4. **Assistance from administration.** An agency without adequate resources or experience to perform obligations under this section may contract with the commissioner of administration to perform the agency's duties under this section.

Subd. 5. **Agency authority to not award grant.** If an agency determines that there is an appreciable risk that a grantee receiving a competitive, single source, or sole source grant cannot or would not perform the required duties under the grant agreement, the agency must notify the grantee and the commissioner of administration and give the grantee an opportunity to respond to the agency's concerns. If the grantee does not satisfy the agency's concerns within 45 days, the agency must not award the grant.

Subd. 6. **Legislatively named grantees.** If an agency determines that there is an appreciable risk that a grantee receiving a legislatively named grant cannot or would not perform the required duties under the grant agreement, the agency must notify the grantee, the commissioner of administration, and the chair and ranking minority members of Ways and Means Committee in the house of representatives, the chairs and ranking minority members of the Finance Committee in the senate, and the chairs and ranking minority members of the committees in the house of representatives and the senate with primary jurisdiction over the bill in which the money for the grant was appropriated. The agency must give the grantee an opportunity to respond to the agency's concerns. If the grantee does not satisfy the agency's concerns within 45 days, the agency must delay award of the grant until adjournment of the next regular or special legislative session.

Subd. 7. **Subgrants.** If a grantee will disburse the money received from the grant to other organizations to perform duties required under the grant agreement, the agency must be a party to agreements between the grantee and a subgrantee. Before entering agreements for subgrants, the agency must perform the financial review required under this section with respect to the subgrantees.

Subd. 8. **Effect.** The requirements of this section are in addition to other requirements imposed by law; the commissioner of administration under Minnesota Statutes, sections 16B.97 to 16B.98; or agency grant policy.

Sec. 61. LEGISLATIVE REPORT; SPEED SAFETY CAMERAS.

(a) By January 3, 2024, the commissioner of public safety must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance that identifies a process and associated policies for issuance of a mailed citation to the owner or lessee of a motor vehicle that a speed safety camera system detects is operated in violation of a speed limit.

(b) The commissioner must convene a task force to assist in the development of the report. The task force must include the Advisory Council on Traffic Safety under Minnesota Statutes, section 4.076, a representative from the Minnesota County Attorneys Association, a person with expertise in data privacy, and may include other members as the commissioner determines are necessary to develop the report.

(c) At a minimum, the report must include consideration and analysis of:

(1) methods to identify the owner, operator, and any lessee of the motor vehicle;

(2) compliance with federal enforcement requirements related to holders of a commercial driver's license;

(3) authority of individuals who are not peace officers to issue citations;

- (4) data practices, including but not limited to concerns related to data privacy;
- (5) due process, an appeals process, and the judicial system;
- (6) technology options, constraints, and factors;
- (7) other legal issues; and
- (8) recommendations regarding implementation, including but not limited to any legislative proposal and information on implementation costs.

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

Sec. 62. **MIDTOWN GREENWAY BICYCLE AND PEDESTRIAN TRAIL EXPANSION PLANNING.**

(a) The Metropolitan Council must plan continuous and dedicated bicycle and pedestrian trails from the current eastern terminus of the Midtown Greenway in Hennepin County to 27th Avenue Southeast in Hennepin County and to Allianz Field in Ramsey County. The Metropolitan Council may use available funding to support project management and implementation, data collection, legal analysis, community engagement, and use of consultants.

(b) When planning the trail expansions, the Metropolitan Council must coordinate with the Hennepin County Regional Railroad Authority, the Ramsey County Regional Railroad Authority, other local governments, and affected property owners.

(c) The bicycle and pedestrian trails to be planned must include the following segments:

(1) Segment 1 from the eastern terminus of the Midtown Greenway extending eastward over the Short Line Bridge on the railroad right-of-way to Cleveland Avenue North in the city of St. Paul. Segment 1 must include a connection to the existing bicycle facility on Pelham Boulevard via a new trail on St. Anthony Avenue;

(2) Segment 2 from the eastern end of the Short Line Bridge extending over marked Interstate Highway 94 to the existing bicycle facility on 27th Avenue Southeast in the city of Minneapolis. Segment 2 must include connections to Franklin Avenue Southeast, Cecil Street Southeast, Seymour Avenue Southeast, and the existing pedestrian bridge at Seymour Avenue Southeast over marked Interstate Highway 94;

(3) Segment 3 from Cleveland Avenue North extending eastward on Gilbert Avenue to Prior Avenue North and on Prior Avenue North northward to the intersection of Prior Avenue North and St. Anthony Avenue;

(4) Segment 4 from Prior Avenue North extending eastward on St. Anthony Avenue to the existing bicycle and pedestrian bridge at Aldine Street over marked Interstate Highway 94; and

(5) Segment 5 from the intersection of Aldine Street and St. Anthony Avenue to Allianz Field on a route to be determined that does not include railroad right-of-way.

(d) At a minimum, the developed plans must include:

(1) a project layout that provides a safe and consistent two-way, curb-separated trail protected from motor vehicle traffic wherever possible;

(2) features of the existing Midtown Greenway that provide safety and wayfinding, including but not limited to lighting, signage, and emergency call boxes;

(3) an analysis of which portions of the planned trails can be completed independently of other portions. In completing this analysis, the Metropolitan Council may subdivide the segments listed in paragraph (c) as needed;

(4) an analysis of what portions of the planned trails can be completed either without using railroad right-of-way or on railroad right-of-way without significantly affecting current rail operations;

(5) a recommendation for a reasonable easement or shared use agreement for the Short Line Bridge between the railroad and Hennepin County that maintains active rail tracks on the upstream side of the bridge while accommodating a bicycle and pedestrian trail on the downstream side of the bridge; and

(6) estimates for construction costs broken out by segments and features.

(e) The council must allocate revenues collected under Minnesota Statutes, section 297A.9925, for the purpose of the planning activities in paragraphs (a) to (d).

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

Sec. 63. **RETROACTIVE DRIVER'S LICENSE REINSTATEMENT.**

(a) The commissioner of public safety must make an individual's driver's license eligible for reinstatement if the license is solely suspended pursuant to:

(1) Minnesota Statutes 2020, section 169.92, subdivision 4, if the person did not appear in court (i) in compliance with the terms of a citation for a petty misdemeanor, or (ii) for a violation of Minnesota Statutes, section 171.24, subdivision 1;

(2) Minnesota Statutes 2020, section 171.16, subdivision 2, if the person was convicted only under Minnesota Statutes, section 171.24, subdivision 1 or 2;

(3) Minnesota Statutes 2020, section 171.16, subdivision 3; or

(4) any combination of clauses (1), (2), and (3).

(b) By December 1, 2023, the commissioner must provide written notice to an individual whose license has been made eligible for reinstatement under paragraph (a), addressed to the licensee at the licensee's last known address.

(c) Notwithstanding any law to the contrary, before the license is reinstated, an individual whose driver's license is eligible for reinstatement under paragraph (a) must pay a single reinstatement fee of \$20.

(d) The following applies for an individual who is eligible for reinstatement under paragraph (a) and whose license was suspended, revoked, or canceled under any other provision in Minnesota Statutes:

(1) the suspension, revocation, or cancellation under any other provision in Minnesota Statutes remains in effect;

(2) subject to clause (1), the individual may become eligible for reinstatement under paragraph (a); and

(3) the commissioner is not required to send the notice described in paragraph (b).

(e) Paragraph (a) applies notwithstanding Minnesota Statutes 2020, sections 169.92, subdivision 4; and 171.16, subdivision 2 or 3; or any other law to the contrary.

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

Sec. 64. TRAFFIC SAFETY VIOLATIONS DISPOSITION ANALYSIS.

(a) The commissioner of public safety must enter into an agreement with the Center for Transportation Studies at the University of Minnesota to conduct an evaluation of the disposition in recent years of citations for speeding, impairment, distraction, and seatbelt violations. The evaluation under the agreement must include but is not limited to analysis of:

(1) rates of citations issued compared to rates of citations contested in court and the outcomes of the cases;

(2) amounts of fines imposed compared to counts and amounts of fine payments; and

(3) any related changes in patterns of traffic enforcement from 2017 to 2022.

(b) The agreement must require the Center for Transportation Studies to submit an interim progress report by July 1, 2024, and a final report by July 1, 2025, to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance and public safety.

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

Sec. 65. VEHICLE REGISTRATION RATES STUDY REQUIRED.

By January 1, 2024, the commissioners of management and budget and public safety, in consultation with the State Patrol, must report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and policy. The report must examine current and historical vehicle registration rates and provide a projection about anticipated vehicle registration revenues for the next ten years. The report must analyze the factors behind declining vehicle registration and vehicle registration renewal rates, including (1) where Minnesota's vehicle registration fees rank amongst other states and (2) enforcement of Minnesota Statutes, section 168.36, by local law enforcement.

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

Sec. 66. REVISOR INSTRUCTION.

The revisor of statutes shall recodify Minnesota Statutes, section 115E.042, subdivision 2, as Minnesota Statutes, section 219.055, subdivision 2a, and Minnesota Statutes, section 115E.042, subdivision 3, as Minnesota Statutes, section 219.055, subdivision 3a. The revisor shall correct any cross-references made necessary by this recodification.

Sec. 67. REPEALER.

(a) Minnesota Statutes 2022, sections 167.45; and 360.915, subdivision 5, are repealed.

(b) Minnesota Statutes 2022, sections 168B.15; and 169.829, subdivision 2, are repealed.

(c) Minnesota Rules, parts 7411.0530; and 7411.0535, are repealed.

EFFECTIVE DATE. Paragraph (b) is effective August 1, 2023. Paragraph (c) is effective July 1, 2023."

Delete the title and insert:

"A bill for an act relating to transportation; establishing a budget for transportation; appropriating money for transportation purposes, including Department of Transportation, Metropolitan Council, and Department of Public Safety activities; authorizing the sale and issuance of state bonds; modifying various provisions governing transportation finance, including vehicle registration, drivers' licenses, and the motor vehicle sales tax; authorizing the Metropolitan Council to impose a metropolitan region sales tax for roads, transit, and active transportation projects; amending various provisions relating to transportation, motor vehicles, drivers, driver's education, deputy registrars, bicycle safety, traffic safety, transit safety, license plates, rail safety, and the Metropolitan Council; requiring reports and studies; creating an advisory council; establishing a Metropolitan Council governance commission; making technical changes; amending Minnesota Statutes 2022, sections 3.9741, subdivision 5; 13.69, subdivision 1; 13.6905, by adding a subdivision; 115E.042, subdivisions 2, 3, 4, 5, 6; 123B.90, subdivision 2; 151.37, subdivision 12; 160.262, subdivision 3; 160.266, subdivisions 1b, 6, by adding a subdivision; 161.045, subdivision 3; 161.088, subdivisions 1, 2, 4, 5, by adding subdivisions; 161.45, subdivisions 1, 2; 161.46, subdivision 2; 161.53; 162.145, subdivisions 2, 3, 4; 168.002, by adding a subdivision; 168.013, subdivisions 1a, 8; 168.1293, subdivision 7; 168.1295, subdivision 5; 168.1296, subdivision 5; 168.1298, subdivision 5; 168.27, subdivisions 11, 31; 168.326; 168.327, subdivisions 1, 2, 3, 5b, by adding a subdivision; 168.33, subdivision 7; 168.345, subdivision 2; 168.381, subdivision 4; 168A.152, subdivision 2; 168A.29, subdivision 1; 168A.31, subdivision 2; 168D.06; 168D.07; 169.011, subdivision 27; 169.09, subdivision 13, by adding a subdivision; 169.14, by adding a subdivision; 169.18, subdivisions 3, 11; 169.222, subdivision 4, by adding a subdivision; 169.345, subdivision 2; 169.475, subdivisions 2, 3; 169A.60, subdivision 16; 171.01, by adding a subdivision; 171.042; 171.05, subdivision 2; 171.06, subdivisions 2, 3, as amended, by adding a subdivision; 171.061, subdivision 4; 171.07, subdivisions 11, 15; 171.0705, by adding a subdivision; 171.12, subdivision 1a; 171.13, subdivisions 1, 1a, 7; 171.26; 171.29, subdivision 2; 171.36; 174.01, by adding a subdivision; 174.03, subdivision 1c; 174.38, subdivisions 3, 6; 219.015, subdivision 2; 219.1651; 222.37, subdivision 1; 297A.64, subdivisions 1, 2; 297A.94; 297A.99, subdivision 1; 297B.02, subdivision 1; 297B.09; 299A.01, by adding a subdivision; 299A.55; 299A.705, subdivisions 1, 3, by adding a subdivision; 357.021, subdivisions 6, 7; 360.915, subdivision 6; 473.146, subdivision 1, by adding a subdivision; 473.3994,

subdivisions 1a, 4, 7, 9, 14; 473.3995; 473.3997; 473.405, subdivision 4; 473.859, by adding a subdivision; 609.855, subdivisions 1, 3, 7, by adding a subdivision; Laws 2005, First Special Session chapter 6, article 3, section 103; Laws 2018, chapter 214, article 1, section 16, subdivision 11, as amended; Laws 2021, First Special Session chapter 5, article 1, section 4, subdivision 4; article 4, section 143; Laws 2022, chapter 39, section 2; proposing coding for new law in Minnesota Statutes, chapters 4; 123B; 160; 161; 162; 168; 169; 171; 174; 219; 290; 297A; 299A; 473; repealing Minnesota Statutes 2022, sections 167.45; 168.121, subdivision 5; 168.1282, subdivision 5; 168.1294, subdivision 5; 168.1299, subdivision 4; 168B.15; 169.829, subdivision 2; 299A.705, subdivision 2; 360.915, subdivision 5; Minnesota Rules, parts 7411.0530; 7411.0535."

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

SECOND READING OF HOUSE BILLS

H.F. No. 2887 was read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

SPECIAL ORDERS

Pursuant to Rule 26, Senator Boldon, 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. 1587, S.F. Nos. 2904, 1362, and H.F. No. 3.

SPECIAL ORDER

H.F. No. 1587: A bill for an act relating to agriculture; modifying restricted species provisions; prohibiting certain provisions in carbon storage contracts; prohibiting false labeling of certain pesticide-treated plants as pollinator friendly; modifying genetically engineered organisms provisions; modifying nursery and plant protection provisions; modifying provisions regulating the dairy industry; modifying control and eradication of nonnative Phragmites; amending Minnesota Statutes 2022, sections 17.457; 17.710; 17.983, subdivision 1; 18.78, subdivision 2; 18F.01; 18F.02, by adding subdivisions; 18F.07; 18F.13; 18G.02, subdivisions 2, 6, 14, 15, 16, 20, 22, 24, 30, by adding a subdivision; 18G.03, subdivision 1; 18G.04, subdivision 2; 18G.05; 18G.06, subdivisions 2, 5; 18G.10, subdivisions 4, 5, 6; 18G.11, subdivision 1; 18G.12, subdivisions 1, 2; 18H.02, subdivisions 2, 3, 8, 9, 12, 12b, 12c, 14, 16, 18, 20, 24, 24a, 25, 26, 28, 32, 33, by adding a subdivision; 18H.03, subdivision 6; 18H.04; 18H.05; 18H.06, subdivision 2; 18H.07, subdivision 4, by adding a subdivision; 18H.08, subdivision 1; 18H.09; 18H.10; 18H.12; 18H.13; 18H.14; 18H.15; 18H.18; 32D.02, subdivision 2; 32D.09, subdivision 2; 34A.04, subdivision 1; repealing Minnesota Statutes 2022, sections 17.984; 18F.02, subdivisions 2, 9; 18F.12; 18G.02, subdivisions 12, 17, 21, 25, 29; 18H.02, subdivisions 10, 12a, 29, 31, 32a, 34; 18H.06, subdivision 1; 32D.03, subdivision 5.

H.F. No. 1587 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 4, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Murphy cast the affirmative vote on behalf of the following Senators: Dziedzic, Latz, Mann, and Xiong.

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Lang, and Rarick.

Those who voted in the negative were:

Bahr	Howe	Lucero	Wesenberg
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So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2904: 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.

President Champion called Senator Klein to preside.

Senator Hawj moved to amend S.F. No. 2904 as follows:

Page 19, delete section 34

Page 30, after line 4, insert:

"Sec. 57. RECOMMENDATIONS FOR REDUCING AQUATIC INVASIVE SPECIES CONTAMINATION IN TROUT STREAMS.

By January 15, 2024, the commissioner of natural resources, in consultation with Minnesota Trout Unlimited and other trout stream angling organizations, must submit to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources policy recommendations for statutory and program changes to reduce the risk of aquatic invasive species contamination in Minnesota trout streams."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Drazkowski moved to amend S.F. No. 2904 as follows:

Page 17, delete section 29 and insert:

"Sec. 29. Minnesota Statutes 2022, section 97B.318, subdivision 1, is amended to read:

Subdivision 1. **Shotgun use area.** During the regular firearms season in the shotgun use area, only legal shotguns loaded with single-slug shotgun shells, legal muzzle-loading long guns, and legal handguns may be used for taking deer. Legal shotguns include those with rifled barrels. The shotgun use area is that portion of the state ~~lying within the following described boundary: Beginning on the west boundary of the state at the northern boundary of Clay County; thence along the northern boundary of Clay County to State Trunk Highway (STH) 32; thence along STH 32 to STH 34; thence along STH 34 to Interstate Highway 94 (I-94); thence along I-94 to County State Aid Highway (CSAH) 40, Douglas County; thence along CSAH 40 to CSAH 82, Douglas County; thence along CSAH 82 to CSAH 22, Douglas County; thence along CSAH 22 to CSAH 6, Douglas County; thence along CSAH 6 to CSAH 14, Douglas County; thence along CSAH 14 to STH 29; thence along STH 29 to CSAH 46, Otter Tail County; thence along CSAH 46, Otter Tail County, to CSAH 22, Todd County; thence along CSAH 22 to U.S. Highway 71; thence along U.S. Highway 71 to STH 27; thence along STH 27 to the Mississippi River; thence along the east bank of the Mississippi River to STH 23; thence along STH 23 to STH 95; thence along STH 95 to U.S. Highway 8; thence along U.S. Highway 8 to the eastern boundary of the state; thence along the east, south, and west boundaries of the state to the point of beginning consisting of Olmsted County."~~

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 34 and nays 30, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Lieske	Putnam
Anderson	Duckworth	Jasinski	Limmer	Rarick
Bahr	Eichorn	Johnson	Lucero	Rasmusson
Coleman	Farnsworth	Koran	Mathews	Utke
Dahms	Green	Kreun	Miller	Wesenberg
Dornink	Gruenhagen	Kupec	Nelson	Westrom
Draheim	Housley	Lang	Pratt	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Lang, and Rarick.

Those who voted in the negative were:

Boldon	Frentz	Latz	Mohamed	Port
Carlson	Gustafson	Mann	Morrison	Rest
Cwodzinski	Hauschild	Marty	Murphy	Seeberger
Dibble	Hawj	Maye Quade	Oumou Verbeten	Westlin
Dziedzic	Hoffman	McEwen	Pappas	Wiklund
Fateh	Klein	Mitchell	Pha	Xiong

Pursuant to Rule 40, Senator Murphy cast the negative vote on behalf of the following Senators: Dziedzic, Latz, Mann, and Xiong.

The motion prevailed. So the amendment was adopted.

Senator Koran moved to amend S.F. No. 2904 as follows:

Page 22, after line 21, insert:

"Sec. 46. Minnesota Statutes 2022, section 103G.271, subdivision 4a, is amended to read:

Subd. 4a. **Mt. Simon-Hinckley aquifer.** (a) The commissioner may not issue a new ~~water-use permits that will~~ permit to appropriate water for potable water use from the Mt. Simon-Hinckley aquifer unless the appropriation is for potable water use;

(1) the commissioner determines that there are no feasible or practical alternatives to this source;
~~and;~~

(2) a water conservation plan that incorporates best available water conservation technology and practices is incorporated with in the permit; and

(3) the permit is consistent with the requirements of sections 103G.255 to 103G.299 and the general permit requirements of sections 103G.301 and 103G.311, as applicable.

(b) The commissioner may not issue a new permit to appropriate water for nonpotable use from the Mt. Simon-Hinckley aquifer unless the permit satisfies the requirements of paragraph (a) and the requested appropriation is outside a metropolitan county, as defined in section 473.121, subdivision 4."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Seeberger moved to amend S.F. No. 2904 as follows:

Page 29, delete sections 55 and 56 and insert:

"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) Notwithstanding paragraph (a), all new and amended water-use permits issued by the commissioner to the city of Lake Elmo must contain the same water-use conservation and planning measures required by law for municipal wells located wholly or partially within the five-mile radius of White Bear Lake.

(c) This section expires June 30, 2027.

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

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) Except as provided under paragraph (b), this section does not authorize the commissioner to reduce or eliminate water-use conservation or planning conditions imposed on municipal water appropriation permits for wells located wholly or partially within a five-mile radius of White Bear Lake.

(d) 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 municipal wells located wholly or partially within a five-mile radius of White Bear Lake.

(e) This section expires June 30, 2027.

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

The motion prevailed. So the amendment was adopted.

Senator Wesenberg moved to amend S.F. No. 2904 as follows:

Page 11, after line 7, insert:

"Sec. 16. Minnesota Statutes 2022, section 97A.015, subdivision 29, is amended to read:

Subd. 29. **Minnows.** "Minnows" means:

- (1) members of the minnow family, Cyprinidae, except carp and goldfish;
- (2) members of the mudminnow family, Umbridae;
- (3) members of the sucker family, Catostomidae, ~~not over 12 inches in length;~~
- (4) bullheads, ciscoes, lake whitefish, goldeyes, and mooneyes, not over seven inches long;
- (5) leeches; and
- (6) tadpole madtoms (willow cats) and stonecats."

Page 19, after line 6, insert:

"Sec. 33. Minnesota Statutes 2022, section 97C.211, subdivision 2a, is amended to read:

Subd. 2a. **Acquiring fish.** (a) A private fish hatchery may not obtain fish outside of the state unless the fish or the source of the fish are approved by the commissioner. The commissioner may apply more stringent requirements to fish or a source of fish from outside the state than are applied to fish and sources of fish from within the state. The commissioner must either approve or deny the acquisition within 30 days after receiving a written request for approval. ~~Minnows acquired must be processed and not released into public waters, except as provided in section 97C.515, subdivision 4.~~ A request may be for annual acquisition.

(b) If the commissioner denies approval, a written notice must be submitted to the applicant stating the reasons for the denial and the commissioner must:

- (1) designate approved sources to obtain the desired fish or fish eggs; or
- (2) sell the fish or fish eggs from state fish hatcheries at fair market value."

Page 20, after line 22, insert:

"Sec. 41. Minnesota Statutes 2022, section 97C.515, subdivision 2, is amended to read:

Subd. 2. **Permit for ~~transportation~~ importation.** (a) A person may ~~transport~~ import live minnows ~~through~~ into the state with a permit from the commissioner. ~~The permit must state the name and address of the person, the number and species of minnows, the point of entry into the state, the destination, and the route through the state. The permit is not valid for more than 12 hours after it is issued.~~ A person must not import minnows into the state except as provided in this section.

(b) ~~Minnows transported under this subdivision must be in a tagged container. The tag number must correspond with tag numbers listed on the minnow transportation permit.~~

(c) ~~The commissioner may require the person transporting minnow species found on the official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services, to provide health certification for viral~~

hemorrhagic septicemia. The certification must disclose any incidentally isolated replicating viruses, and must be dated within the 12 months preceding transport.

(b) Minnows must be certified as healthy according to standards of the World Organisation for Animal Health or the Fish Health Section Blue Book of the American Fisheries Society.

(c) Minnows must be certified free of viral hemorrhagic septicemia, infectious hematopoietic necrosis, infectious pancreatic necrosis, spring viremia of carp virus, fathead minnow nidovirus, and Heterosporis within the past 12 months.

(d) Minnows must originate from a biosecure facility that has tested negative for invasive species in the past 12 months.

(e) Only a person that holds a minnow dealer's license issued under section 97C.501, subdivision 2, may obtain a permit to import minnows.

(f) The following information must be available to the commissioner upon request for each load of imported minnows:

- (1) the date minnows were imported;
- (2) the number of pounds or gallons imported;
- (3) the facility name from which the minnows originated; and
- (4) a fish health certificate for the minnows.

(g) Minnows may be imported to feed hatchery fish if the requirements in paragraphs (a) to (f) are met."

Page 30, delete section 59 and insert:

"Sec. 62. **REPEALER.**

(a) Minnesota Statutes 2022, sections 97C.055; and 97C.515, subdivisions 4 and 5, are repealed.

(b) Minnesota Rules, parts 6100.5000, subparts 3, 4, and 5; and 6100.5700, subpart 4, are repealed."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Hoffman moved to amend the Wesenberg amendment to S.F. No. 2904 as follows:

Page 2, after line 30, insert:

"(h) The commissioner may use the expedited rulemaking process under section 14.389 to amend rules under this section."

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the adoption of the Wesenberg amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Senator Gruenhagen moved to amend S.F. No. 2904 as follows:

Page 19, line 11, delete "and"

Page 19, line 13, delete the second period and insert "; and"

Page 19, after line 13, insert:

"(4) two lines may be used by anglers who are under 18 years of age to take fish from any lake or river in Minnesota between Memorial Day and Labor Day."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 41, as follows:

Those who voted in the affirmative were:

Anderson	Eichorn	Jasinski	Limmer	Rasmusson
Dahms	Farnsworth	Johnson	Lucero	Utke
Dornink	Green	Kreun	Mathews	Weber
Draheim	Gruenhagen	Lang	Miller	Wesenberg
Drazkowski	Howe	Lieske	Rarick	Westrom

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Lang, and Rarick.

Those who voted in the negative were:

Abeler	Fateh	Kunesh	Morrison	Rest
Boldon	Frentz	Kupec	Murphy	Seeberger
Carlson	Gustafson	Latz	Nelson	Westlin
Champion	Hauschild	Mann	Oumou Verbeten	Wiklund
Coleman	Hawj	Marty	Pappas	Xiong
Cwodzinski	Hoffman	Maye Quade	Pha	
Dibble	Housley	McEwen	Port	
Duckworth	Klein	Mitchell	Pratt	
Dziedzic	Koran	Mohamed	Putnam	

Pursuant to Rule 40, Senator Murphy cast the negative vote on behalf of the following Senators: Dziedzic, Mann, and Xiong.

The motion did not prevail. So the amendment was not adopted.

Senator Hauschild moved to amend S.F. No. 2904 as follows:

Page 29, after line 4, insert:

"Sec. 55. Minnesota Statutes 2022, section 373.475, is amended to read:

373.475 COUNTY ENVIRONMENTAL TRUST FUND.

(a) Notwithstanding the provisions of chapter 282 and any other law relating to the apportionment of proceeds from the sale of tax-forfeited land, and except as otherwise provided in this section, a county board must deposit the money received from the sale of land under Laws 1998, chapter 389, article 16, section 31, subdivision 3, into an environmental trust fund established by the county under this section. The principal from the sale of the land may not be expended, and the county board may spend interest earned on the principal only for purposes related to the improvement of natural resources. To the extent money received from the sale is attributable to tax-forfeited land from another county, the money must be deposited in an environmental trust fund established under this section by that county board.

(b) Notwithstanding paragraph (a), St. Louis County may use up to 50 percent of the principal in an environmental trust fund established under this section for economic development and environmental projects within the county that protect the environment or create clean economy jobs and manufacturing."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail. So the amendment was not adopted.

Senator Nelson moved to amend the Drazkowski amendment to S.F. No. 2904, adopted by the Senate April 26, 2023, as follows:

Page 1, line 21, delete "Olmsted County" and insert "Dodge and Olmsted Counties"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 50 and nays 15, as follows:

Those who voted in the affirmative were:

Anderson	Dziedzic	Klein	Miller	Pratt
Boldon	Farnsworth	Kreun	Mitchell	Putnam
Carlson	Fateh	Kunesh	Mohamed	Rest
Champion	Frentz	Kupec	Morrison	Seeberger
Coleman	Gustafson	Latz	Murphy	Utke
Cwodzinski	Hauschild	Limmer	Nelson	Weber
Dahms	Hawj	Mann	Oumou Verbeten	Westlin
Dibble	Hoffman	Marty	Pappas	Westrom
Dornink	Housley	Maye Quade	Pha	Wiklund
Duckworth	Jasinski	McEwen	Port	Xiong

Pursuant to Rule 40, Senator Murphy cast the affirmative vote on behalf of the following Senators: Dziedzic, Mann, and Xiong.

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senator: Jasinski.

Those who voted in the negative were:

Bahr	Eichorn	Howe	Lieske	Rarick
Draheim	Green	Koran	Lucero	Rasmusson
Drazkowski	Gruenhagen	Lang	Mathews	Wesenberg

Pursuant to Rule 40, Senator Rasmusson cast the negative vote on behalf of the following Senators: Lang and Rarick.

The motion prevailed. So the amendment was adopted.

Senator Hoffman moved to amend S.F. No. 2904 as follows:

Page 29, after line 4, insert:

"Sec. 55. Minnesota Statutes 2022, section 179A.10, is amended by adding a subdivision to read:

Subd. 5. Law enforcement supervisors unit. "Unit" shall include state patrol majors, state patrol captains, state patrol lieutenants, nr district supervisors, nr program managers 2, nr program managers 3, Bureau of Criminal Apprehension special agent in charge, Bureau of Criminal Apprehension assistant special agent in charge, supervisory special agent for the Commerce Fraud Bureau, special agent in charge and assistant special agent in charge for the Alcohol and Gaming Enforcement Division, corrections investigation assistant director, correction investigation supervisor for the Department of Corrections, and other licensed peace officer positions currently in the general supervisory employee's unit or Middle Management Association.

Sec. 56. Laws 2022, chapter 80, section 3, is amended to read:

Sec. 3. LAW ENFORCEMENT SUPERVISORS TRANSITION.

(a) Until a negotiated collective bargaining agreement with an exclusive representative of the law enforcement supervisors unit is approved under Minnesota Statutes, section 3.855:

(1) state patrol ~~supervisors~~ majors, captains, lieutenants and nr enforcement supervisors, and nr program managers 2 and 3 employed by the Department of Natural Resources shall remain in the commissioner's plan, managerial plan, or other applicable plan;

(2) criminal apprehension ~~investigative supervisors~~ special agents in charge, assistant special agents in charge, and other law enforcement supervisor peace officer positions currently in the general supervisory employees unit shall remain in the general supervisory employees unit represented by the Middle Management Association; and

(3) employees in positions to be included in the law enforcement supervisors unit shall be authorized to participate in certification elections for the law enforcement supervisors unit and any negotiation and collective bargaining activities of the law enforcement supervisors unit.

(b) In assigning positions included in the law enforcement supervisors unit, employees in positions under paragraph (a), clause (2), shall have the right to remain in the general supervisory employees unit represented by the Middle Management Association. If a group of employees exercises this right, the appropriate unit for such employees shall be the general supervisory employees unit represented by the Middle Management Association, and the commissioner shall assign them to such unit.

(c) When negotiating a collective bargaining agreement for the law enforcement supervisors unit, the parties shall negotiate a provision addressing potential conflicts of interest between the job classifications related to disciplinary matters.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Pha moved to amend S.F. No. 2904 as follows:

Page 16, after line 2, insert:

"Sec. 25. Minnesota Statutes 2022, section 97B.036, is amended to read:

97B.036 CROSSBOW HUNTING DURING FIREARMS SEASON AND ARCHERY SEASONS.

Notwithstanding section 97B.035, subdivisions 1 and 2, a person may take deer, bear, or turkey by crossbow during the respective firearms and archery seasons. The transportation requirements of section 97B.051 apply to crossbows during the firearms and archery deer, bear, or turkey season. Crossbows must meet the requirements of section 97B.106, subdivision 2. A person taking deer, bear, or turkey by crossbow under this section must have a valid license to take the respective game by firearm or bow. This section does not allow the use of a crossbow by licensed muzzleloader hunters during the muzzleloader firearms deer season under section 97B.311.

Sec. 26. Minnesota Statutes 2022, section 97B.037, is amended to read:

97B.037 CROSSBOW HUNTING; ~~AGE 60 OR OVER.~~

Notwithstanding section 97B.035, subdivisions 1 and 2, a person ~~age 60 or over~~ may take deer, bear, turkey, or rough fish by crossbow during the respective regular archery seasons. The transportation requirements of section 97B.051 apply to crossbows during the regular archery deer, bear, turkey, or rough fish season. Crossbows must meet the requirements of section 97B.106, subdivision 2. A person ~~age 60 or over~~ taking deer, bear, turkey, or rough fish by crossbow under this section must have a valid license to take the respective game.

EXPIRATION DATE. This section expires on June 30, 2025."

Page 30, after line 4, insert:

"Sec. 60. **ANALYSIS OF CROSSBOW HUNTING'S EFFECT ON DEER POPULATION.**

By October 1, 2025, the commissioner of natural resources must submit to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources an analysis of the effect that allowing persons

who are under age 60 to hunt with a crossbow during regular archery seasons has had on the deer population in this state."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Howe moved to amend S.F. No. 2904 as follows:

Page 23, line 26, strike "and"

Page 23, after line 26, insert:

"(5) whether the violation occurred during a drought or abnormally dry period; and"

Page 23, line 27, strike "(5)" and insert "(6)"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Lang, and Rarick.

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, Mann, and Xiong.

The motion did not prevail. So the amendment was not adopted.

Senator Hauschild moved to amend S.F. No. 2904 as follows:

Page 30, after line 4, insert:

"Sec. 58. USE OF CERTAIN MONEY BY ST. LOUIS COUNTY.

(a) Notwithstanding Minnesota Statutes, section 373.475, St. Louis County may use up to 50 percent of the principal in an environmental trust fund established under that section for economic development and environmental projects within the county that protect the environment or create clean economy jobs and manufacturing.

(b) By October 1, 2024, St. Louis County must report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment on how this section was implemented or how the county plans to implement it."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 41 and nays 25, as follows:

Those who voted in the affirmative were:

Abeler	Farnsworth	Kunesh	Morrison	Rest
Boldon	Fateh	Kupec	Murphy	Seeberger
Carlson	Frentz	Latz	Nelson	Westlin
Champion	Gustafson	Mann	Oumou Verbeten	Wiklund
Coleman	Hauschild	Marty	Pappas	Xiong
Cwodzinski	Hawj	Maye Quade	Pha	
Dibble	Hoffman	McEwen	Port	
Duckworth	Housley	Mitchell	Putnam	
Dziedzic	Klein	Mohamed	Rarick	

Pursuant to Rule 40, Senator Murphy cast the affirmative vote on behalf of the following Senators: Dziedzic, Mann, and Xiong.

Those who voted in the negative were:

Anderson	Drazkowski	Jasinski	Limmer	Rasmusson
Bahr	Eichorn	Johnson	Lucero	Utke
Dahms	Green	Koran	Mathews	Weber
Dornink	Gruenhagen	Lang	Miller	Wesenberg
Draheim	Howe	Lieske	Pratt	Westrom

Pursuant to Rule 40, Senator Rasmusson cast the negative vote on behalf of the following Senators: Jasinski and Lang.

The motion prevailed. So the amendment was adopted.

S.F. No. 2904 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 51 and nays 16, as follows:

Those who voted in the affirmative were:

Abeler	Champion	Dibble	Duckworth	Farnsworth
Boldon	Coleman	Dornink	Dziedzic	Fateh
Carlson	Cwodzinski	Drazkowski	Eichorn	Frentz

Gustafson	Kupec	McEwen	Pappas	Wesenberg
Hauschild	Lang	Miller	Pha	Westlin
Hawj	Latz	Mitchell	Port	Wiklund
Hoffman	Lieske	Mohamed	Pratt	Xiong
Housley	Limmer	Morrison	Putnam	
Klein	Mann	Murphy	Rarick	
Kreun	Marty	Nelson	Rest	
Kunesh	Maye Quade	Oumou Verbeten	Seeberger	

Pursuant to Rule 40, Senator Murphy cast the affirmative vote on behalf of the following Senators: Dziedzic, Mann, Mohamed, and Xiong.

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senator: Lang.

Those who voted in the negative were:

Anderson	Green	Johnson	Rasmusson
Bahr	Gruenhagen	Koran	Utke
Dahms	Howe	Lucero	Weber
Draheim	Jasinski	Mathews	Westrom

Pursuant to Rule 40, Senator Rasmusson cast the negative vote on behalf of the following Senator: Jasinski.

So the bill, as amended, was passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1362: A bill for an act relating to elections; modifying campaign finance provisions; modifying campaign finance reporting requirements; requiring disclosure of electioneering communications; amending provisions relating to voter registration, absentee voting, and election day voting; adopting the national popular vote compact; prohibiting certain contributions during the legislative session; making technical and clarifying changes; amending Minnesota Statutes 2022, sections 5B.06; 10A.01, subdivisions 5, 21, 26, 30, by adding subdivisions; 10A.022, subdivision 3; 10A.025, subdivision 4; 10A.03, subdivision 2, by adding a subdivision; 10A.04, subdivisions 3, 4, 6, 9; 10A.09, subdivision 5, by adding a subdivision; 10A.121, subdivisions 1, 2; 10A.15, subdivisions 3, 5, by adding subdivisions; 10A.17, subdivision 5, by adding a subdivision; 10A.20, subdivisions 2a, 5; 10A.244; 10A.25, subdivision 3a; 10A.271, subdivision 1; 10A.273, subdivisions 1, 2; 10A.275, subdivision 1; 10A.38; 135A.17, subdivision 2; 201.061, subdivisions 1, 3, by adding a subdivision; 201.071, subdivision 8; 201.12, subdivision 2; 201.121, subdivision 1; 201.13, subdivision 3; 201.145, subdivisions 3, 4; 201.1611, subdivision 1, by adding a subdivision; 201.195; 201.225, subdivision 2; 202A.18, subdivision 2a; 203B.06, subdivision 3; 203B.07, subdivisions 1, 2, 3; 203B.08, subdivisions 1, 3; 203B.11, subdivisions 1, 2, 4; 203B.121, subdivisions 2, 3; 203B.16, subdivision 2; 203B.21, subdivisions 1, 3; 203B.23, subdivision 2; 203B.24, subdivision 1; 204B.06, subdivisions 1, 1b, 4a, by adding a subdivision; 204B.09, subdivision 1; 204B.13, by adding a subdivision; 204B.14, subdivision 2; 204B.16, subdivision 1; 204B.19, subdivision 6; 204B.21, subdivision 2; 204B.32, subdivision 2; 204B.35, by adding a subdivision; 204C.04, subdivision 1; 204C.07, subdivision 4; 204C.15, subdivision 1; 204C.24, subdivision 1; 204C.28, subdivision 1; 204C.33, subdivision 3; 204C.35, by adding a subdivision; 204C.39, subdivision 1; 204D.08, subdivision 6; 204D.09, subdivision 2; 204D.13, subdivisions 2, 3, by adding a subdivision; 204D.16; 204D.19, subdivision 2; 204D.22, subdivision 3; 204D.23, subdivision 2; 204D.25,

subdivision 1; 205.13, subdivision 5; 205.16, subdivision 2; 205.175, subdivision 3; 205A.09, subdivision 2; 205A.10, subdivision 5; 205A.12, subdivision 5; 206.58, subdivisions 1, 3; 206.61, subdivision 1; 206.80; 206.83; 206.845, by adding a subdivision; 206.86, by adding a subdivision; 206.90, subdivision 10; 207A.12; 207A.15, subdivision 2; 208.05; 209.021, subdivision 2; 211B.15, subdivision 8; 211B.20, subdivision 1; 367.03, subdivision 6; 447.32, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 10A; 203B; 208; repealing Minnesota Statutes 2022, section 202A.16; Minnesota Rules, parts 4511.0100, subpart 1a; 4511.0600, subpart 5.

President Champion resumed the Chair.

Senator Carlson moved to amend S.F. No. 1362 as follows:

Page 7, delete section 7

Page 11, delete section 16

Page 12, delete section 17

Page 18, lines 30 and 31, reinstate stricken language

Page 19, line 1, reinstate stricken language and before "must" insert ". A contribution"

Page 41, delete section 10

Page 42, delete section 11

Page 52, delete section 26

Page 54, delete section 27

Page 58, line 13, after "deployed" insert "in response to any state of emergency declared by the President of the United States or any governor of any state within the United States that occurs"

Page 58, line 14, delete the first comma and insert "or" and delete everything after "day"

Page 58, delete line 15

Page 58, line 16, delete "within the United States"

Page 67, line 6, after "by" insert "Minnesota Statutes,"

Page 72, line 5, after "by" insert "Minnesota Statutes,"

Page 74, delete sections 60 and 61

Page 75, delete section 62

Page 74, line 7, after "by" insert "Minnesota Statutes,"

Page 75, line 21, after "by" insert "Minnesota Statutes,"

Page 76, line 5, after "by" insert "Minnesota Statutes,"

Page 83, line 30, after "by" insert "Minnesota Statutes,"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Murphy cast the affirmative vote on behalf of the following Senators: Dziedzic, Mann, Mohamed, and Xiong.

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski and Lang.

The motion prevailed. So the amendment was adopted.

Senator Koran moved to amend S.F. No. 1362 as follows:

Page 84, delete sections 80 and 81

Page 86, delete section 82

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Draheim	Gruenhagen	Kreun	Miller
Anderson	Drazkowski	Housley	Lang	Nelson
Bahr	Duckworth	Howe	Lieske	Pratt
Coleman	Eichorn	Jasinski	Limmer	Rarick
Dahms	Farnsworth	Johnson	Lucero	Rasmusson
Dornink	Green	Koran	Mathews	Utke

Weber

Wesenberg

Westrom

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski and Lang.

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, Mann, and Xiong.

The motion did not prevail. So the amendment was not adopted.

Senator Limmer moved to amend S.F. No. 1362 as follows:

Page 7, line 6, delete everything after the period and insert "For costs to be eligible under this clause, the candidate must report the lost, stolen, damaged, or defaced property to law enforcement and retain a copy of the resulting police report."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Johnson, and Lang.

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, Mann, and Xiong.

The motion did not prevail. So the amendment was not adopted.

Senator Anderson moved to amend S.F. No. 1362 as follows:

Page 2, lines 7 and 10, delete the new language

Page 14, line 29, delete new language

Page 15, lines 2, 14, 15, 18, and 21, delete new language

Page 15, line 24, delete "or the individual's spouse"

Page 16, delete lines 11 and 12

Page 16, line 30, delete "or the individual's spouse"

Page 17, lines 5, 15, and 20, delete "or the individual's spouse"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Lucero	Utke
Anderson	Duckworth	Jasinski	Mathews	Weber
Bahr	Eichorn	Johnson	Miller	Wesenberg
Coleman	Farnsworth	Koran	Nelson	Westrom
Dahms	Green	Lang	Pratt	
Dornink	Gruenhagen	Lieske	Rarick	
Draheim	Housley	Limmer	Rasmusson	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Johnson, Lang, and Rarick.

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, Mann, and Xiong.

The motion did not prevail. So the amendment was not adopted.

Senator Bahr moved to amend S.F. No. 1362 as follows:

Page 37, delete sections 6 and 7

Page 39, delete section 9

Page 43, line 8, reinstate stricken language and delete new language

Page 46, line 30, reinstate stricken language and delete new language

Page 51, line 12, delete "maintains residence" and insert "resides"

Page 54, delete section 28

Page 61, line 4, reinstate stricken language and delete new language

Page 61, delete section 38

Page 65, lines 22 and 23, reinstate stricken language and delete new language

Page 66, delete section 43

Page 75, delete section 64

Page 77, delete sections 68 and 69

Page 87, delete section 83

Page 88, delete section 86

Page 89, delete section 87 and insert:

"Sec. 76. **REVISOR INSTRUCTION.**

The revisor of statutes must change the phrase "maintains residence" or similar phrases to "resides" or a similar word wherever it appears in Minnesota Statutes, chapters 200 to 209."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Johnson, Lang, and Rarick.

Those who voted in the negative were:

Boldon	Cwodzinski	Fateh	Hauschild	Klein
Carlson	Dibble	Frentz	Hawj	Kunesh
Champion	Dziedzic	Gustafson	Hoffman	Kupec

Latz	McEwen	Murphy	Port	Westlin
Mann	Mitchell	Oumou Verbeten	Putnam	Wiklund
Marty	Mohamed	Pappas	Rest	Xiong
Maye Quade	Morrison	Pha	Seeberger	

Pursuant to Rule 40, Senator Murphy cast the negative vote on behalf of the following Senators: Dziedzic, Mann, and Xiong.

The motion did not prevail. So the amendment was not adopted.

Senator Anderson moved to amend S.F. No. 1362 as follows:

Page 81, delete section 77

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Jasinski	Lucero	Utke
Anderson	Duckworth	Johnson	Mathews	Weber
Bahr	Eichorn	Koran	Miller	Wesenberg
Coleman	Farnsworth	Kreun	Nelson	Westrom
Dahms	Green	Lang	Pratt	
Dornink	Gruenhagen	Lieske	Rarick	
Draheim	Howe	Limmer	Rasmusson	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Johnson, Lang, and Rarick.

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, Mann, and Xiong.

The motion did not prevail. So the amendment was not adopted.

S.F. No. 1362 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 34 and nays 33, as follows:

Those who voted in the affirmative 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 affirmative vote on behalf of the following Senators: Dziedzic, Mann, and Xiong.

Those who voted in the negative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Rasmusson cast the negative vote on behalf of the following Senators: Jasinski, Johnson, Lang, and Rarick.

So the bill, as amended, was passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 3: A bill for an act relating to elections; modifying provisions related to voter registration; absentee voting; requiring voting instructions and sample ballots to be multilingual and interpreters to be provided in certain situations; regulating intimidation, deceptive practices, and interference with voter registration and voting; campaign finance; expanding the definition of express advocacy; providing penalties; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 10A.01, subdivision 16a; 10A.27, subdivision 11; 13.607, by adding a subdivision; 171.06, subdivision 3, as amended; 201.054, subdivisions 1, 2; 201.061, by adding a subdivision; 201.071, subdivision 1, as amended; 201.091, subdivision 4; 201.161; 201.162; 203B.04, subdivisions 1, 5; 203B.06, subdivisions 1, 3; 203B.12, by adding subdivisions; 203B.121, subdivision 2; 211B.15, subdivisions 1, 7b, by adding subdivisions; 211B.32, subdivision 1; Laws 2023, chapter 12, section 9; proposing coding for new law in Minnesota Statutes, chapters 204B; 211B.

Senator Boldon moved that the amendment made to H.F. No. 3 by the Committee on Rules and Administration in the report adopted April 18, 2023, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

Senator Koran moved to amend H.F. No. 3 as follows:

Page 3, delete section 3

Page 4, delete sections 5 and 6

Page 27, line 24, delete "\$709,000" and insert "\$689,000" and delete "\$152,000" and insert "\$148,000"

Page 27, line 26, delete "\$470,000" and insert "\$466,000"

Page 27, line 27, delete "\$152,000" and insert "\$148,000"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Johnson, Lang, and Rarick.

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, Mann, Rest, and Xiong.

The motion did not prevail. So the amendment was not adopted.

Senator Bahr moved to amend H.F. No. 3 as follows:

Page 14, delete section 12

Page 15, delete section 13

Page 16, delete section 14

Page 17, delete section 15

Page 27, line 24, delete "\$709,000" and insert "\$617,000" and delete "\$152,000" and insert "\$136,000"

Page 27, line 26, delete "\$470,000" and insert "\$454,000"

Page 27, line 27, delete "\$152,000" and insert "\$136,000"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Jasinski	Lucero	Utke
Anderson	Duckworth	Johnson	Mathews	Weber
Bahr	Farnsworth	Koran	Miller	Wesenberg
Coleman	Green	Kreun	Nelson	Westrom
Dahms	Gruenhagen	Lang	Pratt	
Dornink	Housley	Lieske	Rarick	
Draheim	Howe	Limmer	Rasmusson	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Johnson, Lang, and Rarick.

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, Mann, Rest, and Xiong.

The motion did not prevail. So the amendment was not adopted.

Senator Mathews moved to amend H.F. No. 3 as follows:

Page 25, line 6, delete "one" and insert "50"

Page 25, line 9, delete "five" and insert "50"

Senator Mathews moved to amend the Mathews amendment to H.F. No. 3 as follows:

Page 1, after line 2, insert:

"Page 25, line 7, after the semicolon, insert "or" "

Page 1, after line 3, insert:

"Page 25, line 10, delete semicolon and insert a period

Page 25, delete lines 11 to 14"

The question was taken on the adoption of the Mathews amendment to the Mathews amendment.

The roll was called, and there were yeas 34 and nays 33, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rarick
Anderson	Duckworth	Jasinski	Lucero	Rasmusson
Bahr	Eichorn	Johnson	Mathews	Utke
Coleman	Farnsworth	Koran	Miller	Weber
Dahms	Green	Kreun	Mohamed	Wesenberg
Dornink	Gruenhagen	Lang	Nelson	Westrom
Draheim	Housley	Lieske	Pratt	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Johnson, Lang, and Rarick.

Those who voted in the negative were:

Boldon	Frentz	Kupec	Morrison	Rest
Carlson	Gustafson	Latz	Murphy	Seeberger
Champion	Hauschild	Mann	Oumou Verbeten	Westlin
Cwodzinski	Hawj	Marty	Pappas	Wiklund
Dibble	Hoffman	Maye Quade	Pha	Xiong
Dziedzic	Klein	McEwen	Port	
Fateh	Kunesh	Mitchell	Putnam	

Pursuant to Rule 40, Senator Murphy cast the negative vote on behalf of the following Senators: Dziedzic, Mann, Rest, and Xiong.

The motion prevailed. So the amendment to the amendment was adopted.

Senator Mathews moved to amend the first Mathews amendment to H.F. No. 3 as follows:

Page 1, after line 3, insert:

"Page 26, delete section 5

Renumber the sections in sequence and correct the internal references

Amend the title accordingly"

The question was taken on the adoption of the Mathews amendment to the first Mathews amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Johnson, Lang, and Rarick.

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, Latz, Mann, Rest, and Xiong.

The motion did not prevail. So the amendment to the amendment was not adopted.

RECONSIDERATION

Having voted on the prevailing side, Senator Mohamed moved that the vote whereby the Mathews amendment to the Mathews amendment to H.F. No. 3 was adopted on April 26, 2023, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 48 and nays 19, as follows:

Those who voted in the affirmative were:

Abeler	Frentz	Kreun	Mitchell	Putnam
Boldon	Gustafson	Kunesh	Mohamed	Rarick
Carlson	Hauschild	Kupec	Morrison	Rasmusson
Champion	Hawj	Lang	Murphy	Rest
Coleman	Hoffman	Latz	Nelson	Seeberger
Cwodzinski	Housley	Mann	Oumou Verbeten	Westlin
Dibble	Jasinski	Marty	Pappas	Wiklund
Dornink	Johnson	Maye Quade	Pha	Xiong
Dziedzic	Klein	McEwen	Port	
Fateh	Koran	Miller	Pratt	

Pursuant to Rule 40, Senator Murphy cast the affirmative vote on behalf of the following Senators: Dziedzic, Latz, Mann, Rest, and Xiong.

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Johnson, Lang, and Rarick.

Those who voted in the negative were:

Anderson	Drazkowski	Green	Limmer	Weber
Bahr	Duckworth	Gruenhagen	Lucero	Wesenberg
Dahms	Eichorn	Howe	Mathews	Westrom
Draheim	Farnsworth	Lieske	Utke	

The motion prevailed. So the vote was reconsidered.

The question was taken on the adoption of the Mathews amendment to the Mathews amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Johnson, Lang, and Rarick.

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, Latz, Mann, Rest, and Xiong.

The motion did not prevail. So the amendment to the amendment was not adopted.

The question was taken on the adoption of the first Mathews amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Johnson, Lang, and Rarick.

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, Latz, Mann, Rest, and Xiong.

The motion did not prevail. So the amendment was not adopted.

Senator Drazkowski moved to amend H.F. No. 3 as follows:

Page 25, after line 18, insert:

"(e) "Foreign-influenced entity" means a foreign-influenced corporation or a foreign-influenced labor union.

(f) "Foreign-influenced organization" means an organizations elected under chapter 179 or 179A as exclusive representatives of employees for purposes of collective bargaining where one percent or more of the bargaining unit membership is comprised of foreign nationals."

Page 25, line 19, delete "(e)" and insert "(g)"

Page 26, line 7, delete "corporations" and insert "entities"

Page 26, lines 8 and 16 delete "corporation" and insert "entity"

Page 26, line 23, delete everything after "A" and insert "foreign-influenced entity"

Page 26, line 24, delete everything before "that"

Page 26, line 26, delete "corporation" and insert "entity"

Page 26, line 29, after "officer" insert "or executive director"

Page 26, line 31, delete "corporation" and insert "foreign-influenced entity"

Page 27, line 1, after "the" insert "foreign-influenced"

Page 27, line 4, delete "corporation" and insert "foreign-influenced entity"

Page 27, line 14, strike "corporation" and insert "foreign-influenced organization"

Senator Drazkowski moved to amend the Drazkowski amendment to H.F. No. 3 as follows:

Page 1, after line 1, insert:

"Page 25, line 3, after the comma insert "clause (2), that accepts more than one percent of the corporation's total equity from foreign nationals or as defined in paragraph (c),""

The question was taken on the adoption of the Drazkowski amendment to the Drazkowski amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Johnson, Lang, and Rarick.

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, Latz, Mann, Rest, and Xiong.

The motion did not prevail. So the amendment to the amendment was not adopted.

The question was taken on the adoption of the first Drazkowski amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Johnson, Lang, and Rarick.

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, Latz, Mann, Rest, and Xiong.

The motion did not prevail. So the amendment was not adopted.

Senator Koran moved to amend H.F. No. 3 as follows:

Page 21, after line 25, insert:

"Sec. 2. Minnesota Statutes 2022, section 204B.32, is amended by adding a subdivision to read:

Subd. 3. **Contributions for election expenses prohibited.** Notwithstanding any home rule charter or local ordinance to the contrary, a county, municipality, or school district may not accept a contribution, in any form, from a for-profit business or a nonprofit organization made for the purpose of paying expenses associated with conducting a federal, state, or local election. This subdivision does not apply to an entity that provides space to a local government to use as a polling place for free or at a discounted rate.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Johnson, Lang, and Rarick.

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, Latz, Mann, Rest, and Xiong.

The motion did not prevail. So the amendment was not adopted.

Senator Dornink moved to amend H.F. No. 3 as follows:

Page 24, after line 22, insert:

"Sec. 3. Minnesota Statutes 2022, section 43A.32, subdivision 2, is amended to read:

Subd. 2. **Leaves of absence for elected public officials, candidates.** Except as herein provided any officer or employee in the classified service shall:

(1) take leave of absence upon assuming an elected federal office ~~or an elected state office other than state legislative office or, if elected to state legislative office, during times that the legislature is in session;~~

(2) take leave of absence upon assuming any elected public office other than enumerated in clause (1), if, in the opinion of the commissioner, the holding of the office conflicts with regular state employment; and

(3) upon request, be granted leave of absence upon becoming a candidate, or during the course of candidacy, for any elected public office.

All requests for opinions of the commissioner and all opinions from the commissioner under the provisions of clause (2) shall be in writing and shall be delivered by mail or by use of a facsimile machine.

The commissioner shall issue an opinion under the provisions of clause (2) within seven calendar days of receipt of the request."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Dornink moved to amend the Dornink amendment to H.F. No. 3 as follows:

Page 1, after line 1, insert:

"Page 24, after line 10, insert:

"Sec. 2. Minnesota Statutes 2022, section 10A.07, is amended by adding a subdivision to read:

Subd. 5. Legislator employment. (a) If a legislator is employed by the state of Minnesota, the legislator must notify the majority leader and minority leader of the body in which the member serves of the legislator's state employment. The notification must include the legislator's job title, a description of the position, and the legislator's state employer. For purposes of this paragraph, state employment includes employment by the judicial branch, executive branch, legislative branch, and the University of Minnesota.

(b) A legislator must abstain from taking official action that directly or indirectly involves the legislator's employer regardless if the action or decision affects the legislator's financial interests. For purposes of this subdivision, "official action" includes but is not limited to introducing a bill, offering an amendment, voting on an amendment or bill, participating in committee or floor debate or discussion, advocating for a bill, and being present at a hearing where the legislator's employer appears before the committee for any purpose."

Senator Klein questioned whether the Dornink amendment to the Dornink amendment was germane.

The President ruled that the amendment to the amendment was not germane.

Senator Dornink appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 34 and nays 33, as follows:

Those who voted in the affirmative 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 affirmative vote on behalf of the following Senators: Dziedzic, Latz, Mann, Rest, and Xiong.

Those who voted in the negative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Rasmusson cast the negative vote on behalf of the following Senators: Jasinski, Johnson, Lang, and Rarick.

So the decision of the President was sustained.

Senator Klein questioned whether the first Dornink amendment was germane.

The President ruled that the amendment was not germane.

Senator Mathews moved to amend H.F. No. 3 as follows:

Page 27, after line 8, insert:

"Sec. 6. Minnesota Statutes 2022, section 211B.15, is amended by adding a subdivision to read:

Subd. 4c. **Model legislation.** A legislator must not introduce a bill that is substantively based on model legislation obtained from an organization that accepts contributions, dues, or other payments from foreign-influenced corporations or foreign investors."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Johnson, Lang, and Rarick.

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, Latz, Mann, Rest, and Xiong.

The motion did not prevail. So the amendment was not adopted.

Senator Koran moved to amend H.F. No. 3 as follows:

Page 27, after line 8, insert:

"Sec. 6. Minnesota Statutes 2022, section 211B.15, is amended by adding a subdivision to read:

Subd. 4c. **Prohibited contracts.** A candidate, local candidate, public official, political party, political party unit, principal campaign committee, and any other committee or fund regulated by chapter 10A is prohibited from contracting with foreign-influenced corporations or foreign investors to provide any goods or services including, but not limited to, technology or software. For purposes of this subdivision, the definitions in section 10A.01 apply."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Dornink	Farnsworth	Jasinski	Lieske
Anderson	Draheim	Green	Johnson	Limmer
Bahr	Drazkowski	Gruenhagen	Koran	Lucero
Coleman	Duckworth	Housley	Kreun	Mathews
Dahms	Eichorn	Howe	Lang	Miller

Nelson	Rarick	Utke	Wesenberg
Pratt	Rasmusson	Weber	Westrom

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Johnson, Lang, and Rarick.

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, Latz, Mann, Rest, and Xiong.

The motion did not prevail. So the amendment was not adopted.

Senator Drazkowski moved to amend H.F. No. 3 as follows:

Page 24, after line 10, insert:

"Sec. 2. Minnesota Statutes 2022, section 10A.15, is amended by adding a subdivision to read:

Subd. 8. **Prohibited contributions.** A candidate or the candidate's principal campaign committee must not accept contributions from individuals who reside outside of Minnesota or entities that are based outside of Minnesota."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Johnson, Lang, and Rarick.

Those who voted in the negative were:

Boldon	Cwodzinski	Fateh	Hauschild	Klein
Carlson	Dibble	Frentz	Hawj	Kunesh
Champion	Dziedzic	Gustafson	Hoffman	Kupec

Latz	McEwen	Murphy	Port	Westlin
Mann	Mitchell	Oumou Verbeten	Putnam	Wiklund
Marty	Mohamed	Pappas	Rest	Xiong
Maye Quade	Morrison	Pha	Seeberger	

Pursuant to Rule 40, Senator Murphy cast the negative vote on behalf of the following Senators: Dziedzic, Latz, Mann, Rest, and Xiong.

The motion did not prevail. So the amendment was not adopted.

Senator Koran moved to amend H.F. No. 3 as follows:

Page 20, line 18, delete "commonly" and insert "common"

Page 20, line 19, delete "spoken" and after "languages" insert "spoken by eligible voters"

Page 20, lines 27 and 32, delete "residents" and insert "eligible voters"

Page 20, line 29, delete "population" and insert "eligible voters"

Page 21, line 5, delete "residents" and insert "eligible voters"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Johnson, Lang, and Rarick.

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, Latz, Mann, Rest, and Xiong.

The motion did not prevail. So the amendment was not adopted.

Senator Drazkowski moved to amend H.F. No. 3 as follows:

Page 24, after line 10, insert:

"Sec. 2. Minnesota Statutes 2022, section 10A.121, is amended by adding a subdivision to read:

Subd. 3. **Prohibited loans.** An independent expenditure political committee or fund, a ballot question political committee or fund, or a party unit must not request, apply for, seek to obtain, or receive a loan from an accredited financial institution."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Johnson, Lang, and Rarick.

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, Latz, Mann, Rest, and Xiong.

The motion did not prevail. So the amendment was not adopted.

Senator Drazkowski moved to amend H.F. No. 3 as follows:

Page 25, line 4, delete "clause (1) or (3),"

Page 26, line 24, delete "clause (1) or (3),"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Coleman	Draheim	Eichorn	Gruenhagen
Anderson	Dahms	Drazkowski	Farnsworth	Housley
Bahr	Dornink	Duckworth	Green	Howe

Jasinski	Lang	Mathews	Rarick	Wesenberg
Johnson	Lieske	Miller	Rasmusson	Westrom
Koran	Limmer	Nelson	Utke	
Kreun	Lucero	Pratt	Weber	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Johnson, Lang, and Rarick.

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, Latz, Mann, Rest, and Xiong.

The motion did not prevail. So the amendment was not adopted.

Senator Anderson moved to amend H.F. No. 3 as follows:

Page 4, line 9, delete "automatically"

Page 8, line 10, delete "AUTOMATIC" and insert "OPTIONAL"

Page 8, line 11, delete "Automatic" and insert "Optional"

Page 8, line 12, delete "must" and insert "may, at the individual's request,"

Page 8, line 23, delete "must" and insert "may, at the registrant's request,"

Page 8, delete subdivision 2

Renumber the subdivisions in sequence

Page 9, line 14, after "must" insert ", at the applicant's request,"

Page 10, lines 5 and 29, delete "automatic" and insert "optional"

Page 10, line 17, after "must" insert ", at the applicants request,"

Page 11, lines 3, 7, 11, 12, 13, 15, 19, 20, 22, 26, and 27, delete "automatic" and insert "optional"

Page 12, line 2, delete "automatic" and insert "optional"

Page 12, line 26, delete "Unless the applicant declines registration" and insert "If an applicant requests that the applicant's application be submitted as a voter registration application"

Page 13, line 6, delete "automatic" and insert "optional"

Page 27, line 24, delete "\$709,000" and insert "\$437,000" and delete "\$152,000" and insert "\$21,000"

Page 27, line 26, delete "\$470,000" and insert "\$340,000"

Page 27, line 27, delete "\$152,000" and insert "\$21,000"

Page 27, delete lines 28 to 30

Renumber the subdivisions in sequence

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Johnson, Lang, and Rarick.

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, Latz, Mann, Rest, and Xiong.

The motion did not prevail. So the amendment was not adopted.

Senator Koran moved to amend H.F. No. 3 as follows:

Page 1, after line 17, insert:

"Section 1. Minnesota Statutes 2022, section 13.607, is amended by adding a subdivision to read:

Subd. 6a. Registered voter lists. Data on registered voters is governed by section 201.022, subdivision 4."

Page 3, after line 13, insert:

"Sec. 4. Minnesota Statutes 2022, section 201.022, is amended by adding a subdivision to read:

Subd. 4. **Data.** (a) Except as provided in this subdivision, all data in the statewide voter registration system is public data on individuals, as defined in section 13.02, subdivision 15.

(b) The following data is private data on individuals, as defined in section 13.02, subdivision 12: any identifying information related to a minor, a voter's date of birth, driver's license number, identification card number, military identification card number, passport number, or any part of a voter's Social Security number.

(c) Information maintained on the presidential nomination primary political party list required under section 201.091, subdivision 4a, is private data on individuals as defined under section 13.02, subdivision 12, except that the secretary of state must provide the list to the chair of each major political party.

(d) Upon receipt of a statement signed by the voter that withholding the voter's name from the public is required for the safety of the voter or the voter's family, the secretary of state and county auditor must withhold from the public the name of the registered voter. Data withheld pursuant to this paragraph is private data on individuals as defined in section 13.02, subdivision 12.

(e) Any person requesting public data must state in writing that any information obtained from the statewide voter registration system will not be used for purposes unrelated to elections, political activities, or law enforcement."

Page 7, line 16, after the period, insert "The list must not include data classified as private data on individuals pursuant to section 201.022, subdivision 4."

Page 7, line 24, strike everything after "lists"

Page 7, line 25, strike everything before "for"

Page 8, delete lines 3 to 6

Page 8, after line 7, insert:

"Sec. 11. Minnesota Statutes 2022, section 201.091, subdivision 4a, is amended to read:

Subd. 4a. **Presidential nomination primary political party list.** The secretary of state must maintain a list of the voters who voted in a presidential nomination primary and the political party each voter selected. ~~Information maintained on the list is private data on individuals as defined under section 13.02, subdivision 12, except that the secretary of state must provide the list to the chair of each major political party.~~

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

Sec. 12. Minnesota Statutes 2022, section 201.091, is amended by adding a subdivision to read:

Subd. 10. **Requests for data.** Nothing in this section prevents a person from requesting public data as described in section 201.022, subdivision 4.

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

Page 20, after line 9, insert:

"Sec. 24. **REPEALER.**

Minnesota Statutes 2022, sections 13.607, subdivision 6; and 201.091, subdivision 9, are repealed.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Jasinski, Johnson, Lang, and Rarick.

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, Latz, Mann, Rest, and Xiong.

The motion did not prevail. So the amendment was not adopted.

H.F. No. 3 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 34 and nays 33, as follows:

Those who voted in the affirmative 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 affirmative vote on behalf of the following Senators: Dziedzic, Latz, Mann, Rest, and Xiong.

Those who voted in the negative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Rasmusson cast the negative vote on behalf of the following Senators: Jasinski, Johnson, Lang, and Rarick.

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Reports of Committees and Second Reading of House Bills.

REPORTS OF COMMITTEES

Senator Boldon moved that the Committee Report at the Desk be now adopted.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 35 and nays 20, as follows:

Those who voted in the affirmative were:

Abeler	Fateh	Kunesh	Miller	Port
Boldon	Frentz	Kupec	Mitchell	Putnam
Carlson	Gustafson	Latz	Mohamed	Rest
Champion	Hauschild	Mann	Morrison	Seeberger
Cwodzinski	Hawj	Marty	Murphy	Westlin
Dibble	Hoffman	Maye Quade	Oumou Verbeten	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong

Pursuant to Rule 40, Senator Murphy cast the affirmative vote on behalf of the following Senators: Dziedzic, Latz, Mann, Rest, and Xiong.

Those who voted in the negative were:

Anderson	Dornink	Gruenhagen	Lang	Rasmusson
Bahr	Draheim	Jasinski	Mathews	Utke
Coleman	Drazkowski	Johnson	Pratt	Weber
Dahms	Green	Kreun	Rarick	Westrom

Pursuant to Rule 40, Senator Rasmusson cast the negative vote on behalf of the following Senators: Jasinski, Johnson, Lang, and Rarick.

The motion prevailed.

Senator Marty from the Committee on Finance, to which was referred

H.F. No. 100: A bill for an act relating to cannabis; establishing the Office of Cannabis Management; establishing advisory councils; requiring reports relating to cannabis use and sales; legalizing and limiting the possession and use of cannabis and certain hemp products by adults; providing for the licensing, inspection, and regulation of cannabis businesses and hemp businesses; requiring testing of cannabis flower, cannabis products, and certain hemp products; requiring labeling of cannabis flower, cannabis products, and certain hemp products; limiting the advertisement of cannabis flower, cannabis products, and cannabis businesses, and hemp businesses; providing for the cultivation of cannabis in private residences; transferring regulatory authority for the medical cannabis program; taxing the sale of cannabis flower, cannabis products, and certain hemp products; establishing grant and loan programs; clarifying the prohibition on operating a motor vehicle while under the influence of certain products and chemicals; amending criminal penalties; establishing expungement procedures for certain individuals; requiring reports on expungements; providing for expungement of certain evictions; clarifying the rights of landlords and tenants regarding use of certain forms of cannabis; establishing labor standards for the use of cannabis flower, cannabis products, and certain hemp products by employees and testing of employees; providing for the temporary regulation of certain edible cannabinoid products; providing for professional licensing protections; providing for local registration of certain cannabis businesses and hemp businesses operating retail establishments; amending the scheduling of marijuana and tetrahydrocannabinols; classifying data; making miscellaneous cannabis-related changes and additions; making clarifying and technical changes; appropriating money; amending Minnesota Statutes 2022, sections 13.411, by adding a subdivision; 13.871, by adding a subdivision; 34A.01, subdivision 4; 144.99, subdivision 1; 144A.4791, subdivision 14; 151.72; 152.01, by adding subdivisions; 152.02, subdivisions 2, 4; 152.021, subdivisions 1, 2; 152.022, subdivisions 1, 2; 152.023, subdivisions 1, 2; 152.024, subdivision 1; 152.025, subdivisions 1, 2; 152.11, subdivision 2; 152.22, by adding subdivisions; 152.29, subdivision 4, by adding a subdivision; 152.30; 152.32; 152.33, subdivision 1; 169A.03, by adding subdivisions; 169A.20, subdivision 1; 169A.31, subdivision 1; 169A.51, subdivisions 1, 4; 169A.72; 175.45, subdivision 1; 181.938, subdivision 2; 181.950, subdivisions 2, 4, 5, 8, 13, by adding a subdivision; 181.951, subdivisions 4, 5, 6, by adding subdivisions; 181.952, by adding a subdivision; 181.953; 181.954; 181.955; 181.957, subdivision 1; 244.05, subdivision 2; 245C.08, subdivision 1; 256.01, subdivision 18c; 256B.0625, subdivision 13d; 256D.024, subdivisions 1, 3; 256J.26, subdivisions 1, 3; 270B.12, by adding a subdivision; 273.13, subdivision 24; 275.025, subdivision 2; 290.0132, subdivision 29; 290.0134, subdivision 19; 297A.61, subdivision 3; 297A.67,

subdivisions 2, 7; 297A.70, subdivisions 2, 4, 18; 297A.85; 297D.01; 297D.04; 297D.06; 297D.07; 297D.08; 297D.085; 297D.09, subdivision 1a; 297D.10; 297D.11; 340A.412, subdivision 14; 484.014, subdivision 3; 504B.171, subdivision 1; 609.2112, subdivision 1; 609.2113, subdivisions 1, 2, 3; 609.2114, subdivisions 1, 2; 609.5311, subdivision 1; 609.5314, subdivision 1; 609.5316, subdivision 2; 609A.01; 609A.03, subdivisions 5, 9; 609B.425, subdivision 2; 609B.435, subdivision 2; 624.712, by adding subdivisions; 624.713, subdivision 1; 624.714, subdivision 6; 624.7142, subdivision 1; 624.7151; proposing coding for new law in Minnesota Statutes, chapters 3; 116J; 116L; 120B; 144; 152; 169A; 270C; 289A; 295; 340A; 504B; 609A; 624; proposing coding for new law as Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2022, sections 151.72; 152.027, subdivisions 3, 4; 152.21; 152.22, subdivisions 1, 2, 3, 4, 5, 5a, 5b, 6, 7, 8, 9, 10, 11, 12, 13, 14; 152.23; 152.24; 152.25, subdivisions 1, 1a, 1b, 1c, 2, 3, 4; 152.26; 152.261; 152.27, subdivisions 1, 2, 3, 4, 5, 6, 7; 152.28, subdivisions 1, 2, 3; 152.29, subdivisions 1, 2, 3, 3a, 4; 152.30; 152.31; 152.32, subdivisions 1, 2, 3; 152.33, subdivisions 1, 1a, 2, 3, 4, 5, 6; 152.34; 152.35; 152.36, subdivisions 1, 1a, 2, 3, 4, 5; 152.37.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

REGULATION OF ADULT-USE CANNABIS

Section 1. [342.01] DEFINITIONS.

Subdivision 1. **Terms.** For the purposes of this chapter, the following terms have the meanings given them.

Subd. 2. **Adult-use cannabis concentrate.** "Adult-use cannabis concentrate" means cannabis concentrate that is approved for sale by the office or is substantially similar to a product approved by the office. Adult-use cannabis concentrate does not include synthetically derived cannabinoids.

Subd. 3. **Adult-use cannabis flower.** "Adult-use cannabis flower" means cannabis flower that is approved for sale by the office or is substantially similar to a product approved by the office. Adult-use cannabis flower does not include medical cannabis flower, hemp plant parts, or hemp-derived consumer products.

Subd. 4. **Adult-use cannabis product.** "Adult-use cannabis product" means a cannabinoid product that is approved for sale by the office or is substantially similar to a product approved by the office. Adult-use cannabis product includes edible cannabis products but does not include medical cannabinoid products or lower-potency hemp edibles.

Subd. 5. **Advertisement.** "Advertisement" means any written or oral statement, illustration, or depiction that is intended to promote sales of cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or sales at a specific cannabis business or hemp business and includes any newspaper, radio, internet and electronic media, or television promotion; the distribution of fliers and circulars; and the display of window and interior signs in a cannabis business. Advertisement does not include a fixed outdoor sign that meets the requirements in section 342.63, subdivision 2, paragraph (b).

Subd. 6. **Artificial cannabinoid.** "Artificial cannabinoid" means a substance with a similar chemical structure and pharmacological activity to a cannabinoid but that is not extracted or derived from cannabis plants, cannabis flower, hemp plants, or hemp plant parts and is instead created or produced by chemical or biochemical synthesis.

Subd. 7. **Batch.** "Batch" means:

(1) a specific quantity of cannabis plants that are cultivated from the same seed or plant stock, are cultivated together, are intended to be harvested together, and receive an identical propagation and cultivation treatment;

(2) a specific quantity of cannabis flower that is harvested together; is uniform and intended to meet specifications for identity, strength, purity, and composition; and receives identical sorting, drying, curing, and storage treatment; or

(3) a specific quantity of a specific cannabis product, lower-potency hemp edible, synthetically derived cannabinoid, hemp-derived consumer product, or hemp-derived topical product that is manufactured at the same time and using the same methods, equipment, and ingredients that are uniform and intended to meet specifications for identity, strength, purity, and composition and that is manufactured, packaged, and labeled according to a single batch production record executed and documented during the same cycle of manufacture and produced by a continuous process.

Subd. 8. **Batch number.** "Batch number" means a unique numeric or alphanumeric identifier assigned to a batch of cannabis flower or a batch of cannabis plants, cannabis products, lower-potency hemp edibles, synthetically derived cannabinoid, hemp-derived consumer products, or hemp-derived topical products.

Subd. 9. **Bona fide labor organization.** "Bona fide labor organization" means a labor union that represents or is actively seeking to represent cannabis workers.

Subd. 10. **Cannabinoid.** "Cannabinoid" means any of the chemical constituents of hemp plants or cannabis plants that are naturally occurring, biologically active, and act on the cannabinoid receptors of the brain. Cannabinoid includes but is not limited to tetrahydrocannabinol and cannabidiol.

Subd. 11. **Cannabinoid extraction.** "Cannabinoid extraction" means the process of extracting cannabis concentrate from cannabis plants or cannabis flower using water, lipids, gases, solvents, or other chemicals or chemical processes, but does not include the process of extracting concentrate from hemp plants or hemp plant parts or the process of creating synthetically derived cannabinoids.

Subd. 12. **Cannabinoid profile.** "Cannabinoid profile" means the amounts of each cannabinoid that the office requires to be identified in testing and labeling, including but not limited to delta-9 tetrahydrocannabinol, tetrahydrocannabinolic acid, cannabidiol, cannabidiolic acid in cannabis flower, a cannabinoid product, a batch of synthetically derived cannabinoid, or a hemp-derived consumer product, expressed as percentages measured by weight and, in the case of cannabinoid products and hemp-derived consumer products, expressed as milligrams in each serving and package.

Subd. 13. **Cannabis business.** "Cannabis business" means any of the following licensed under this chapter:

- (1) cannabis microbusiness;
- (2) cannabis mezzobusiness;
- (3) cannabis cultivator;
- (4) cannabis manufacturer;
- (5) cannabis retailer;
- (6) cannabis wholesaler;
- (7) cannabis transporter;
- (8) cannabis testing facility;
- (9) cannabis event organizer;
- (10) cannabis delivery service;
- (11) medical cannabis cultivator;
- (12) medical cannabis processor; and
- (13) medical cannabis retailer.

Subd. 14. **Cannabis concentrate.** (a) "Cannabis concentrate" means:

- (1) the extracts and resins of a cannabis plant or cannabis flower;
- (2) the extracts or resins of a cannabis plant or cannabis flower that are refined to increase the presence of targeted cannabinoids; or
- (3) a product that is produced by refining extracts or resins of a cannabis plant or cannabis flower and is intended to be consumed by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product.

(b) Cannabis concentrate does not include industrial hemp, synthetically derived cannabinoids, or hemp-derived consumer products.

Subd. 15. **Cannabis flower.** "Cannabis flower" means the harvested flower, bud, leaves, and stems of a cannabis plant. Cannabis flower includes adult-use cannabis flower and medical cannabis flower. Cannabis flower does not include cannabis seed, hemp plant parts, or hemp-derived consumer products.

Subd. 16. **Cannabis industry.** "Cannabis industry" means every item, product, person, process, action, business, or other thing related to cannabis flower and cannabis products and subject to regulation under this chapter.

Subd. 17. **Cannabis paraphernalia.** "Cannabis paraphernalia" means all equipment, products, and materials of any kind that are knowingly or intentionally used primarily in:

(1) manufacturing cannabinoid products;

(2) ingesting, inhaling, or otherwise introducing cannabis flower or cannabis products into the human body; and

(3) testing the strength, effectiveness, or purity of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 18. **Cannabis plant.** "Cannabis plant" means all parts of the plant of the genus Cannabis that is growing or has not been harvested and has a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent on a dry weight basis.

Subd. 19. **Cannabis product.** (a) "Cannabis product" means any of the following:

(1) cannabis concentrate;

(2) a product infused with cannabinoids, including but not limited to tetrahydrocannabinol, extracted or derived from cannabis plants or cannabis flower; or

(3) any other product that contains cannabis concentrate.

(b) Cannabis product includes adult-use cannabis products and medical cannabinoid products. Cannabis product does not include cannabis flower, synthetically derived cannabinoids, lower-potency hemp edibles, hemp-derived consumer products, or hemp-derived topical products.

Subd. 20. **Cannabis prohibition.** "Cannabis prohibition" means the system of state and federal laws that prevented establishment of a legal market and instead established petty offenses and criminal offenses punishable by fines, imprisonment, or both for the cultivation, possession, and sale of all parts of the plant of any species of the genus Cannabis, including all agronomical varieties, whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds, or resin.

Subd. 21. **Cannabis seed.** "Cannabis seed" means the viable seed of the plant of the genus Cannabis that is reasonably expected to grow into a cannabis plant. Cannabis seed does not include hemp seed.

Subd. 22. **Cannabis worker.** "Cannabis worker" means any individual employed by a cannabis business and any individual who is a contractor of a cannabis business whose scope of work involves the handling of cannabis plants, cannabis flower, synthetically derived cannabinoids, or cannabis products.

Subd. 23. **Child-resistant.** "Child-resistant" means packaging that meets the poison prevention packaging standards in Code of Federal Regulations, title 16, section 1700.15.

Subd. 24. **Cooperative.** "Cooperative" means an association conducting business on a cooperative plan that is organized or is subject to chapter 308A or 308B.

Subd. 25. **Council.** "Council" means the Cannabis Advisory Council.

Subd. 26. **Cultivation.** "Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis plants, cannabis flower, hemp plants, or hemp plant parts.

Subd. 27. **Division of Medical Cannabis.** "Division of Medical Cannabis" means a division housed in the Office of Cannabis Management that operates the medical cannabis program.

Subd. 28. **Division of Social Equity** "Division of Social Equity" means a division housed in the Office of Cannabis Management that promotes development, stability, and safety in communities that have experienced a disproportionate, negative impact from cannabis prohibition and usage.

Subd. 29. **Edible cannabis product.** "Edible cannabis product" means any product that is intended to be eaten or consumed as a beverage by humans; contains a cannabinoid, including a synthetically derived cannabinoid, in combination with food ingredients; is not a drug; and is a type of product approved for sale by the office, or is substantially similar to a product approved by the office including but not limited to products that resemble nonalcoholic beverages, candy, and baked goods. Edible cannabis product does not include lower-potency hemp edibles.

Subd. 30. **Health care practitioner.** "Health care practitioner" means a Minnesota-licensed doctor of medicine, a Minnesota-licensed physician assistant acting within the scope of authorized practice, or a Minnesota-licensed advanced practice registered nurse who has the primary responsibility for the care and treatment of the qualifying medical condition of an individual diagnosed with a qualifying medical condition.

Subd. 31. **Health record.** "Health record" has the meaning given in section 144.291, subdivision 2.

Subd. 32. **Hemp business.** (a) "Hemp business" means either of the following licensed under this chapter:

- (1) lower-potency hemp edible manufacturer; or
- (2) lower-potency hemp edible retailer.

(b) Hemp business does not include a person or entity licensed under chapter 18K to grow industrial hemp for commercial or research purposes or to process industrial hemp for commercial purposes.

Subd. 33. **Hemp concentrate.** (a) "Hemp concentrate" means:

- (1) the extracts and resins of a hemp plant or hemp plant parts;
- (2) the extracts or resins of a hemp plant or hemp plant parts that are refined to increase the presence of targeted cannabinoids; or
- (3) a product that is produced by refining extracts or resins of a hemp plant or hemp plant parts and is intended to be consumed by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product.

(b) Hemp concentrate does not include synthetically derived cannabinoids, lower-potency hemp edibles, hemp-derived consumer products, or hemp-derived topical products.

Subd. 34. **Hemp consumer industry.** "Hemp consumer industry" means every item, product, person, process, action, business, or other thing related to synthetically derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products subject to regulation under this chapter.

Subd. 35. **Hemp-derived consumer product.** (a) "Hemp-derived consumer product" means a product intended for human or animal consumption that does not contain cannabis flower or cannabis concentrate, and:

(1) contains or consists of hemp plant parts; or

(2) contains hemp concentrate or synthetically derived cannabinoids in combination with other ingredients.

(b) Hemp-derived consumer product does not include synthetically derived cannabinoids, lower-potency hemp edibles, hemp-derived topical products, hemp fiber products, or hemp grain.

Subd. 36. **Hemp-derived topical product.** "Hemp-derived topical product" means a product intended for human or animal consumption that contains hemp concentrate, is intended for application externally to a part of the body of a human or animal, and does not contain cannabis flower or cannabis concentrate.

Subd. 37. **Hemp fiber product.** "Hemp fiber product" means an intermediate or finished product made from the fiber of hemp plant parts that is not intended for human or animal consumption. Hemp fiber product includes but is not limited to cordage, paper, fuel, textiles, bedding, insulation, construction materials, compost materials, and industrial materials.

Subd. 38. **Hemp grain.** "Hemp grain" means the harvested seeds of the hemp plant intended for consumption as a food or part of a food product. Hemp grain includes oils pressed or extracted from harvested hemp seeds.

Subd. 39. **Hemp plant.** "Hemp plant" means all parts of the plant of the genus Cannabis that is growing or has not been harvested and has a delta-9 tetrahydrocannabinol concentration of no more than 0.3 percent on a dry weight basis.

Subd. 40. **Hemp plant parts.** "Hemp plant parts" means any part of the harvested hemp plant, including the flower, bud, leaves, stems, and stalk, but does not include derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers that are separated from the plant. Hemp plant parts does not include hemp fiber products, hemp grain, or hemp seed.

Subd. 41. **Hemp seed.** "Hemp seed" means the viable seed of the plant of the genus Cannabis that is intended to be planted and is reasonably expected to grow into a hemp plant. Hemp seed does not include cannabis seed or hemp grain.

Subd. 42. **Hemp worker.** "Hemp worker" means any individual employed by a hemp business and any individual who is a contractor of a hemp business whose scope of work involves the handling

of synthetically derived cannabinoids, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 43. **Indian lands.** "Indian lands" means all lands within the limits of any Indian reservation within the boundaries of Minnesota and any lands within the boundaries of Minnesota title to which are either held in trust by the United States or over which an Indian Tribe exercises governmental power.

Subd. 44. **Industrial hemp.** "Industrial hemp" has the meaning given in section 18K.02, subdivision 3.

Subd. 45. **Intoxicating cannabinoid.** "Intoxicating cannabinoid" means a cannabinoid, including a synthetically derived cannabinoid, that when introduced into the human body impairs the central nervous system or impairs the human audio, visual, or mental processes. Intoxicating cannabinoid includes but is not limited to any tetrahydrocannabinol.

Subd. 46. **Labor peace agreement.** "Labor peace agreement" means an agreement between a cannabis business and a bona fide labor organization that protects the state's interests by, at minimum, prohibiting the labor organization from engaging in picketing, work stoppages, or boycotts against the cannabis business. This type of agreement shall not mandate a particular method of election or certification of the bona fide labor organization.

Subd. 47. **License holder.** "License holder" means a person, cooperative, or business that holds any of the following licenses:

- (1) cannabis microbusiness;
- (2) cannabis mezzobusiness;
- (3) cannabis cultivator;
- (4) cannabis manufacturer;
- (5) cannabis retailer;
- (6) cannabis wholesaler;
- (7) cannabis transporter;
- (8) cannabis testing facility;
- (9) cannabis event organizer;
- (10) cannabis delivery service;
- (11) lower-potency hemp edible manufacturer;
- (12) lower-potency hemp edible retailer;
- (13) medical cannabis cultivator;

(14) medical cannabis processor; or

(15) medical cannabis retailer.

Subd. 48. **Local unit of government.** "Local unit of government" means a home rule charter or statutory city, county, town, or other political subdivision.

Subd. 49. **Lower-potency hemp edible.** "Lower-potency hemp edible" means any product that:

(1) is intended to be eaten or consumed as a beverage by humans;

(2) contains hemp concentrate or a synthetically derived cannabinoid, in combination with food ingredients;

(3) is not a drug;

(4) consists of servings that contain no more than five milligrams of delta-9 tetrahydrocannabinol, 25 milligrams of cannabidiol, 25 milligrams of cannabigerol, or any combination of those cannabinoids that does not exceed the identified amounts;

(5) does not contain more than a combined total of 0.5 milligrams of all other cannabinoids per serving;

(6) does not contain a cannabinoid derived from cannabis plants or cannabis flower; and

(7) is a type of product approved for sale by the office or is substantially similar to a product approved by the office, including but not limited to products that resemble nonalcoholic beverages, candy, and baked goods.

Subd. 50. **Matrix barcode.** "Matrix barcode" means a code that stores data in a two-dimensional array of geometrically shaped dark and light cells capable of being read by the camera on a smartphone or other mobile device.

Subd. 51. **Medical cannabinoid product.** (a) "Medical cannabinoid product" means a product that:

(1) consists of or contains cannabis concentrate or hemp concentrate or is infused with cannabinoids, including but not limited to synthetically derived cannabinoids; and

(2) is provided to a patient enrolled in the registry program; a registered designated caregiver; or a parent, legal guardian, or spouse of an enrolled patient, by a cannabis retailer or medical cannabis retailer to treat or alleviate the symptoms of a qualifying medical condition.

(b) A medical cannabinoid product must be in the form of:

(1) liquid, including but not limited to oil;

(2) pill;

(3) liquid or oil for use with a vaporized delivery method;

(4) water-soluble cannabinoid multiparticulate, including granules, powder, and sprinkles;

(5) orally dissolvable product, including lozenges, gum, mints, buccal tablets, and sublingual tablets;

(6) edible products in the form of gummies and chews;

(7) topical formulation; or

(8) any allowable form or delivery method approved by the office.

(c) Medical cannabinoid product does not include adult-use cannabis products.

Subd. 52. **Medical cannabis business.** "Medical cannabis business" means an entity licensed under this chapter to engage in one or more of the following:

(1) the cultivation of cannabis plants for medical cannabis flower;

(2) the manufacture of medical cannabinoid products; and

(3) the retail sale of medical cannabis flower and medical cannabinoid products.

Subd. 53. **Medical cannabis flower.** "Medical cannabis flower" means cannabis flower provided to a patient enrolled in the registry program; a registered designated caregiver; or a parent, legal guardian, or spouse of an enrolled patient by a cannabis retailer or medical cannabis business to treat or alleviate the symptoms of a qualifying medical condition. Medical cannabis flower does not include adult-use cannabis flower or hemp-derived consumer products.

Subd. 54. **Medical cannabis paraphernalia.** "Medical cannabis paraphernalia" means a delivery device, related supply, or educational material used by a patient enrolled in the registry program to administer medical cannabis and medical cannabinoid products.

Subd. 55. **Nonintoxicating cannabinoid.** "Nonintoxicating cannabinoid" means a cannabinoid that when introduced into the human body does not impair the central nervous system and does not impair the human audio, visual, or mental processes. Nonintoxicating cannabinoid includes but is not limited to cannabidiol and cannabigerol but does not include any synthetically derived cannabinoid.

Subd. 56. **Office.** "Office" means the Office of Cannabis Management.

Subd. 57. **Outdoor advertisement.** "Outdoor advertisement" means an advertisement that is located outdoors or can be seen or heard by an individual who is outdoors and includes billboards; advertisements on benches; advertisements at transit stations or transit shelters; advertisements on the exterior or interior of buses, taxis, light rail transit, or business vehicles; and print signs that do not meet the requirements in section 342.63, subdivision 2, paragraph (b), but that are placed or located on the exterior property of a cannabis business or hemp business.

Subd. 58. **Patient.** "Patient" means a Minnesota resident who has been diagnosed with a qualifying medical condition by a health care practitioner and who has met all other requirements for patients under this chapter to participate in the registry program.

Subd. 59. **Patient registry number.** "Patient registry number" means a unique identification number assigned by the Division of Medical Cannabis to a patient enrolled in the registry program.

Subd. 60. **Plant canopy.** "Plant canopy" means the total surface area within a licensed cultivation facility that is used at any time to cultivate mature, flowering cannabis plants. Calculation of the area of the plant canopy does not include the surface area within the licensed cultivation facility that is used to cultivate immature cannabis plants and seedlings.

Subd. 60a. **Propagule.** "Propagule" means seeds, clones, transplants, and any other propagative industrial hemp material.

Subd. 61. **Qualifying medical condition.** "Qualifying medical condition" means a diagnosis of any of the following conditions:

(1) Alzheimer's disease;

(2) autism spectrum disorder that meets the requirements of the fifth edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association;

(3) cancer;

(4) chronic motor or vocal tic disorder;

(5) chronic pain;

(6) glaucoma;

(7) human immunodeficiency virus or acquired immune deficiency syndrome;

(8) intractable pain as defined in section 152.125, subdivision 1, paragraph (c);

(9) obstructive sleep apnea;

(10) post-traumatic stress disorder;

(11) Tourette's syndrome;

(12) amyotrophic lateral sclerosis;

(13) seizures, including those characteristic of epilepsy;

(14) severe and persistent muscle spasms, including those characteristic of multiple sclerosis;

(15) inflammatory bowel disease, including Crohn's disease;

(16) irritable bowel syndrome;

(17) obsessive-compulsive disorder;

(18) sickle cell disease;

(19) terminal illness; or

(20) any other medical condition or its treatment approved by the office.

Subd. 62. **Registered designated caregiver.** "Registered designated caregiver" means an individual who:

(1) is at least 18 years old;

(2) is not disqualified for a criminal offense according to section 342.19, subdivision 2;

(3) has been approved by the Division of Medical Cannabis to assist a patient with obtaining medical cannabis flower and medical cannabinoid products from a cannabis retailer or medical cannabis retailer and with administering medical cannabis flower and medical cannabinoid products; and

(4) is authorized by the Division of Medical Cannabis to assist a patient with the use of medical cannabis flower and medical cannabinoid products.

Subd. 63. **Registry or registry program.** "Registry" or "registry program" means the patient registry established under this chapter listing patients authorized to obtain medical cannabis flower, medical cannabinoid products, and medical cannabis paraphernalia from cannabis retailers and medical cannabis retailers and administer medical cannabis flower and medical cannabinoid products.

Subd. 64. **Registry verification.** "Registry verification" means the verification provided by the Division of Medical Cannabis that a patient is enrolled in the registry program and that includes the patient's name, patient registry number, and, if applicable, the name of the patient's registered designated caregiver or parent, legal guardian, or spouse.

Subd. 65. **Restricted area.** "Restricted area" means an area where cannabis flower or cannabis products are cultivated, manufactured, or stored by a cannabis business.

Subd. 66. **Statewide monitoring system.** "Statewide monitoring system" means the system for integrated cannabis tracking, inventory, and verification established or adopted by the office.

Subd. 67. **Synthetically derived cannabinoid.** "Synthetically derived cannabinoid" means a cannabinoid extracted from a cannabis plant, cannabis flower, hemp plant, or hemp plant parts with a chemical makeup that is changed after extraction to create a different cannabinoid or other chemical compound by applying a catalyst other than heat or light. Synthetically derived cannabinoid includes but is not limited to any tetrahydrocannabinol created from cannabidiol but does not include cannabis concentrate, cannabinoid products, or hemp-derived consumer products.

Subd. 68. **Tribal medical cannabis board.** "Tribal medical cannabis board" means an agency established by each federally recognized Tribal government and duly authorized by that Tribe's governing body to perform regulatory oversight and monitor compliance with a Tribal medical cannabis program and applicable regulations.

Subd. 69. **Tribal medical cannabis program.** "Tribal medical cannabis program" means a program established by a federally recognized Tribal government within the boundaries of Minnesota

regarding the commercial production, processing, sale or distribution, and possession of medical cannabis and medical cannabis products.

Subd. 70. **Tribal medical cannabis program manufacturer.** "Tribal medical cannabis program manufacturer" means an entity designated by a Tribal medical cannabis board within the boundaries of Minnesota or a federally recognized Tribal government within the boundaries of Minnesota to engage in production, processing, and sale or distribution of medical cannabis and medical cannabis products under that Tribe's Tribal medical cannabis program.

Subd. 71. **Tribal medical cannabis program patient.** "Tribal medical cannabis program patient" means a person who possesses a valid registration verification card or equivalent document that is issued under the laws or regulations of a Tribal nation within the boundaries of Minnesota and that verifies that the person is enrolled in or authorized to participate in that Tribal nation's Tribal medical cannabis program.

Subd. 72. **Veteran.** "Veteran" means an individual who satisfies the requirements in section 197.447.

Subd. 73. **Visiting designated caregiver.** "Visiting designated caregiver" means an individual who is authorized under a visiting patient's jurisdiction of residence to assist the visiting patient with the use of medical cannabis flower and medical cannabinoid products. To be considered a visiting designated caregiver, the individual must possess a valid verification card or its equivalent that is issued by the visiting patient's jurisdiction of residence and that verifies that the individual is authorized to assist the visiting patient with the administration of medical cannabis flower and medical cannabinoid products under the laws or regulations of the visiting patient's jurisdiction of residence.

Subd. 74. **Visiting patient.** "Visiting patient" means an individual who is not a Minnesota resident and who possesses a valid registration verification card or its equivalent that is issued under the laws or regulations of another state, district, commonwealth, or territory of the United States verifying that the individual is enrolled in or authorized to participate in that jurisdiction's medical cannabis or medical marijuana program.

Subd. 75. **Volatile solvent.** "Volatile solvent" means any solvent that is or produces a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures. Volatile solvent includes but is not limited to butane, hexane, and propane.

Sec. 2. **[342.02] OFFICE OF CANNABIS MANAGEMENT.**

Subdivision 1. **Establishment.** The Office of Cannabis Management is created with the powers and duties established by law. In making rules, establishing policy, and exercising its regulatory authority over the cannabis industry and hemp consumer industry, the office must:

- (1) promote the public health and welfare;
- (2) protect public safety;
- (3) eliminate the illicit market for cannabis flower and cannabis products;

(4) meet the market demand for cannabis flower and cannabis products;

(5) promote a craft industry for cannabis flower and cannabis products; and

(6) prioritize growth and recovery in communities that have experienced a disproportionate, negative impact from cannabis prohibition.

Subd. 2. **Powers and duties.** The office has the following powers and duties:

(1) to develop, maintain, and enforce an organized system of regulation for the cannabis industry and hemp consumer industry;

(2) to establish programming, services, and notification to protect, maintain, and improve the health of citizens;

(3) to prevent unauthorized access to adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products by individuals under 21 years of age;

(4) to establish and regularly update standards for product testing, packaging, and labeling, including requirements for an expiration, sell-by, or best-used-by date;

(5) to promote economic growth with an emphasis on growth in areas that experienced a disproportionate, negative impact from cannabis prohibition;

(6) to issue and renew licenses;

(7) to require fingerprints from individuals determined to be subject to fingerprinting, including the submission of fingerprints to the Federal Bureau of Investigation where required by law and to obtain criminal conviction data for individuals seeking a license from the office on the individual's behalf or as a cooperative member or director, manager, or general partner of a business entity;

(8) to receive reports required by this chapter and inspect the premises, records, books, and other documents of license holders to ensure compliance with all applicable laws and rules;

(9) to authorize the use of unmarked motor vehicles to conduct seizures or investigations pursuant to the office's authority;

(10) to impose and collect civil and administrative penalties as provided in this chapter;

(11) to publish such information as may be deemed necessary for the welfare of cannabis businesses, cannabis workers, hemp businesses, and hemp workers and the health and safety of citizens;

(12) to make loans and grants in aid to the extent that appropriations are made available for that purpose;

(13) to authorize research and studies on cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, hemp-derived consumer products, the cannabis industry, and the hemp consumer industry;

(14) to provide reports as required by law;

(15) to develop a warning label regarding the effects of the use of cannabis flower and cannabis products by persons 25 years of age or younger;

(16) to establish limits on the potency of adult-use cannabis flower and adult-use cannabis products that can be sold to customers by licensed cannabis retailers, licensed cannabis microbusinesses, and licensed cannabis mezzobusinesses with an endorsement to sell adult-use cannabis flower and adult-use cannabis products to customers;

(17) to permit, upon application to the office in the form prescribed by the director of the office, a licensee under this chapter to perform any activity if such permission is substantially necessary for the licensee to perform any other activity permitted by the applicant's license and is not otherwise prohibited by law;

(18) to remove, upon application to the office in the form prescribed by the director of the office, any obligation of a licensee under this chapter if such removal is substantially necessary for the licensee to perform any activity permitted by the applicant's license and is not otherwise prohibited by law; and

(19) to exercise other powers and authority and perform other duties required by law.

Subd. 3. **Medical cannabis program.** (a) The powers and duties of the Department of Health with respect to the medical cannabis program under Minnesota Statutes 2022, sections 152.22 to 152.37, are transferred to the Office of Cannabis Management under section 15.039.

(b) State employees shall not be displaced by the transfer of duties from the Department of Health medical cannabis program to the Office of Cannabis Management under this subdivision. Any employees transferred under this section to the Office of Cannabis Management shall retain their current seniority and benefit accrual rates.

Subd. 4. **Interagency agreements.** (a) The office and the commissioner of agriculture shall enter into interagency agreements to ensure that edible cannabis products and lower-potency hemp edibles are handled, manufactured, and inspected in a manner that is consistent with the relevant food safety requirements in chapters 28A, 31, and 34A and associated rules.

(b) The office may cooperate and enter into other agreements with the commissioner of agriculture and may cooperate and enter into agreements with the commissioners and directors of other state agencies and departments to promote the beneficial interests of the state.

Subd. 5. **Rulemaking.** The office may adopt rules to implement any provisions in this chapter. Rules for which notice is published in the State Register before July 1, 2025, may be adopted using the expedited rulemaking process in section 14.389.

Subd. 6. **Director.** (a) The governor shall appoint a director of the office with the advice and consent of the senate. The director must be in the unclassified service and must serve at the pleasure of the governor.

(b) The salary of the director must not exceed the salary limit established under section 15A.0815, subdivision 3.

(c) While serving as the director and within two years after terminating service, the director is prohibited from having a direct or an indirect financial interest in a cannabis business or hemp business licensed under this chapter.

(d) A person who has served in the legislature or in statewide office is not eligible to be appointed to the position of director until five years after the end of the person's term in the legislature or statewide office.

Subd. 7. **Employees.** (a) The office may employ other personnel in the classified service necessary to carry out the duties in this chapter.

(b) A prospective employee of the office must submit a completed criminal history records check consent form, a full set of classifiable fingerprints, and the required fees to the office. Upon receipt of this information, the office must submit the completed criminal history records check consent form, full set of classifiable fingerprints, and required fees to the Bureau of Criminal Apprehension. After receiving this information, the bureau must conduct a Minnesota criminal history records check of the prospective employee. The bureau may exchange a prospective employee's fingerprints with the Federal Bureau of Investigation to obtain the prospective employee's national criminal history record information. The bureau must return the results of the Minnesota and federal criminal history records checks to the director to determine if the prospective employee is disqualified under section 342.19.

(c) While employed by the office and within two years after terminating employment, an employee may not have a direct or an indirect financial interest in a cannabis business licensed under this chapter or a recipient of a grant under this chapter.

Subd. 8. **Division of Social Equity.** The office must establish a Division of Social Equity. At a minimum, the division must:

(1) administer grants to communities that experienced a disproportionate, negative impact from cannabis prohibition and usage in order to promote economic development, provide services to prevent violence, support early intervention programs for youth and families, and promote community stability and safety;

(2) act as an ombudsperson for the office to provide information, investigate complaints under this chapter, and provide or facilitate dispute resolutions; and

(3) report to the office on the status of complaints and social equity in the cannabis industry.

Subd. 9. **Compliance with federal law.** Nothing in this chapter shall be construed to allow cannabis to be transported outside of the state unless explicitly authorized by federal law.

EFFECTIVE DATE. This section is effective July 1, 2023, except for subdivision 3, which is effective January 1, 2024.

Sec. 3. **[342.03] CANNABIS ADVISORY COUNCIL.**

Subdivision 1. **Membership.** (a) The Cannabis Advisory Council is created consisting of the following members:

- (1) the director of the Office of Cannabis Management or a designee;
- (2) the commissioner of employment and economic development or a designee;
- (3) the commissioner of revenue or a designee;
- (4) the commissioner of health or a designee;
- (5) the commissioner of human services or a designee;
- (6) the commissioner of public safety or a designee;
- (7) the commissioner of human rights or a designee;
- (8) the commissioner of labor or a designee;
- (9) the commissioner of agriculture or a designee;
- (10) the commissioner of the Pollution Control Agency or a designee;
- (11) the superintendent of the Bureau of Criminal Apprehension or a designee;
- (12) the colonel of the State Patrol or a designee;
- (13) the director of the Office of Traffic Safety in the Department of Public Safety or a designee;
- (14) a representative from the League of Minnesota Cities appointed by the league;
- (15) a representative from the Association of Minnesota Counties appointed by the association;
- (16) an expert in minority business development appointed by the governor;
- (17) an expert in economic development strategies for under-resourced communities appointed by the governor;
- (18) an expert in farming or representing the interests of farmers appointed by the governor;
- (19) an expert representing the interests of cannabis workers appointed by the governor;
- (20) an expert representing the interests of employers appointed by the governor;
- (21) an expert in municipal law enforcement with advanced training in impairment detection and evaluation appointed by the governor;
- (22) an expert in social welfare or social justice appointed by the governor;
- (23) an expert in criminal justice reform to mitigate the disproportionate impact of drug prosecutions on communities of color appointed by the governor;

(24) an expert in prevention, treatment, and recovery related to substance use disorders appointed by the governor;

(25) an expert in minority business ownership appointed by the governor;

(26) an expert in women-owned businesses appointed by the governor;

(27) an expert in cannabis retailing appointed by the governor;

(28) an expert in cannabis product manufacturing appointed by the governor;

(29) an expert in laboratory sciences and toxicology appointed by the governor;

(30) an expert in providing legal services to cannabis businesses appointed by the governor;

(31) an expert in cannabis cultivation appointed by the governor;

(32) an expert in toxicology appointed by the governor;

(33) an expert in pediatric medicine appointed by the governor;

(34) an expert in adult medicine appointed by the governor;

(35) two patient advocates, one who is a patient enrolled in the medical cannabis program and one who is a parent or caregiver of a patient in the medical cannabis program;

(36) two licensed mental health professionals appointed by the governor;

(37) a veteran appointed by the governor;

(38) one member of each of the following federally recognized Tribes, designated by the elected Tribal president or chairperson of the governing bodies of:

(i) the Fond du Lac Band;

(ii) the Grand Portage Band;

(iii) the Mille Lacs Band;

(iv) the White Earth Band;

(v) the Bois Forte Band;

(vi) the Leech Lake Band;

(vii) the Red Lake Nation;

(viii) the Upper Sioux Community;

(ix) the Lower Sioux Indian Community;

(x) the Shakopee Mdewakanton Sioux Community; and

(xi) the Prairie Island Indian Community; and

(39) a representative from the Local Public Health Association of Minnesota appointed by the association.

(b) While serving on the Cannabis Advisory Council and within two years after terminating service, a council member shall not serve as a lobbyist, as defined under section 10A.01, subdivision 21.

Subd. 2. **Terms; compensation; removal; vacancy; expiration.** The membership terms, compensation, removal of members appointed by the governor, and filling of vacancies of members are provided in section 15.059.

Subd. 3. **Officers; meetings.** (a) The director of the Office of Cannabis Management or the director's designee must chair the Cannabis Advisory Council. The advisory council must elect a vice-chair and may elect other officers as necessary.

(b) The advisory council shall meet quarterly or upon the call of the chair.

(c) Meetings of the advisory council are subject to chapter 13D.

Subd. 4. **Duties.** (a) The duties of the advisory council shall include:

(1) reviewing national cannabis policy;

(2) examining the effectiveness of state cannabis policy;

(3) reviewing developments in the cannabis industry and hemp consumer industry;

(4) reviewing developments in the study of cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products;

(5) taking public testimony; and

(6) making recommendations to the Office of Cannabis Management.

(b) At its discretion, the advisory council may examine other related issues consistent with this section.

Sec. 4. **[342.04] STUDIES; REPORTS.**

(a) The office shall conduct a study to determine the expected size and growth of the regulated cannabis industry and hemp consumer industry, including an estimate of the demand for cannabis flower and cannabis products, the number and geographic distribution of cannabis businesses needed to meet that demand, and the anticipated business from residents of other states.

(b) The office shall conduct a study to determine the size of the illicit cannabis market, the sources of illicit cannabis flower and illicit cannabis products in the state, the locations of citations issued and arrests made for cannabis offenses, and the subareas, such as census tracts or neighborhoods, that experience a disproportionately large amount of cannabis enforcement.

(c) The office shall conduct a study on impaired driving to determine:

(1) the number of accidents involving one or more drivers who admitted to using cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products, or who tested positive for cannabis or tetrahydrocannabinol;

(2) the number of arrests of individuals for impaired driving in which the individual tested positive for cannabis or tetrahydrocannabinol; and

(3) the number of convictions for driving under the influence of cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or tetrahydrocannabinol.

(d) The office shall provide preliminary reports on the studies conducted pursuant to paragraphs (a) to (c) to the legislature by January 15, 2024, and shall provide final reports to the legislature by January 15, 2025. The reports may be consolidated into a single report by the office.

(e) The office shall collect existing data from the Department of Human Services, Department of Health, Minnesota state courts, and hospitals licensed under chapter 144 on the utilization of mental health and substance use disorder services, emergency room visits, and commitments to identify any increase in the services provided or any increase in the number of visits or commitments. The office shall also obtain summary data from existing first episode psychosis programs on the number of persons served by the programs and number of persons on the waiting list. All information collected by the office under this paragraph shall be included in the report required under paragraph (f).

(f) The office shall submit an annual report to the legislature by January 15, 2024, and each January 15 thereafter. The annual report shall include but not be limited to the following:

(1) the status of the regulated cannabis industry;

(2) the status of the illicit cannabis market and hemp consumer industry;

(3) the number of accidents, arrests, and convictions involving drivers who admitted to using cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products or who tested positive for cannabis or tetrahydrocannabinol;

(4) the change in potency, if any, of cannabis flower and cannabis products available through the regulated market;

(5) progress on providing opportunities to individuals and communities that experienced a disproportionate, negative impact from cannabis prohibition, including but not limited to providing relief from criminal convictions and increasing economic opportunities;

(6) the status of racial and geographic diversity in the cannabis industry;

(7) proposed legislative changes, including but not limited to recommendations to streamline licensing systems and related administrative processes;

(8) information on the adverse effects of second-hand smoke from any cannabis flower, cannabis products, and hemp-derived consumer products that are consumed by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product; and

(9) recommendations for levels of funding for:

(i) a coordinated education program to address and raise public awareness about the top three adverse health effects, as determined by the commissioner of health, associated with the use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by individuals under 21 years of age;

(ii) a coordinated education program to educate pregnant individuals, breastfeeding individuals, and individuals who may become pregnant on the adverse health effects of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(iii) training, technical assistance, and educational materials for home visiting programs, Tribal home visiting programs, and child welfare workers regarding safe and unsafe use of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products in homes with infants and young children;

(iv) model programs to educate middle school and high school students on the health effects on children and adolescents of the use of cannabis flower, cannabis products, lower-potency hemp edibles and hemp-derived consumer products and other intoxicating or controlled substances;

(v) grants issued through the CanTrain, CanNavigate, CanStartup, and CanGrow programs;

(vi) grants to organizations for community development in social equity communities through the CanRenew program;

(vii) training of peace officers and law enforcement agencies on changes to laws involving cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products and the law's impact on searches and seizures;

(viii) training of peace officers to increase the number of drug recognition experts;

(ix) training of peace officers on the cultural uses of sage and distinguishing use of sage from the use of cannabis flower, including whether the Board of Peace Officer Standards and Training should approve or develop training materials;

(x) the retirement and replacement of drug detection dogs; and

(xi) the Department of Human Services and county social service agencies to address any increase in demand for services.

(g) In developing the recommended funding levels under paragraph (f), clause (9), items (vii) to (xi), the office shall consult with local law enforcement agencies, the Minnesota Chiefs of Police Association, the Minnesota Sheriff's Association, the League of Minnesota Cities, the Association of Minnesota Counties, and county social services agencies.

Sec. 5. **[342.05] STATEWIDE MONITORING SYSTEM.**

Subdivision 1. **Statewide monitoring.** The office must contract with an outside vendor to establish a statewide monitoring system for integrated cannabis tracking, inventory, and verification to track all cannabis plants, cannabis flower, cannabis products, and synthetically derived cannabinoids from seed, immature plant, or creation until disposal or sale to a patient or customer.

Subd. 2. **Data submission requirements.** The monitoring system must allow cannabis businesses and Tribal medical cannabis program manufacturers to submit monitoring data to the office through the use of monitoring system software commonly used within the cannabis industry and may also permit cannabis businesses and Tribal medical cannabis program manufacturers to submit monitoring data through manual data entry with approval from the office.

Sec. 6. [342.06] APPROVAL OF ADULT-USE CANNABIS FLOWER AND ADULT-USE CANNABIS PRODUCTS.

Subdivision 1. **Definitions.** For the purposes of this section, "type" means an individual product in a product line that may be sold in different sizes, distinct packaging, or at various prices but is still created using the same manufacturing or agricultural processes. A new or additional stock keeping unit (SKU) or Universal Product Code (UPC) shall not prevent a product from being considered the same type as another unit. All other terms have the meanings provided in section 342.01.

Subd. 2. **Approval of products.** (a) The office shall approve types of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products other than hemp-derived topical products for retail sale. The office shall not require reapproval of a product type if the manufacturing or agricultural processes and final product unit remain substantially similar to a previously approved type of adult-use cannabis flower, adult-use cannabis product, lower-potency hemp edible, or hemp-derived consumer product.

(b) The office shall not approve any adult-use cannabis product, lower-potency hemp edible, or hemp-derived consumer product that:

(1) is or appears to be a lollipop or ice cream;

(2) bears the likeness or contains characteristics of a real or fictional person, animal, or fruit;

(3) is modeled after a type or brand of products primarily consumed by or marketed to children;

(4) is substantively similar to a meat food product; poultry food product as defined in section 31A.02, subdivision 10; or a dairy product as defined in section 32D.01, subdivision 7;

(5) contains an artificial cannabinoid;

(6) is made by applying a cannabinoid, including but not limited to a synthetically derived cannabinoid, to a finished food product that does not contain cannabinoids and is sold to consumers, including but not limited to a candy or snack food; or

(7) if the product is an edible cannabis product or lower-potency hemp edible, contains an ingredient, other than a cannabinoid, that is not approved by the United States Food and Drug Administration for use in food.

(c) The office must not approve any adult-use cannabis flower, adult-use cannabis product, or hemp-derived consumer product that:

(1) is intended to be consumed by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product; and

(2) imparts a taste or odor, other than the taste or odor of cannabis flower, that is distinguishable by an ordinary person before or during consumption of the product.

(d) The office may adopt rules to limit or prohibit ingredients in or additives to adult-use cannabis flower, adult-use cannabis products, or hemp-derived consumer products to ensure compliance with the limitations in paragraph (c).

Sec. 7. [342.07] AGRICULTURAL AND FOOD SAFETY PRACTICES; RULEMAKING.

Subdivision 1. **Plant propagation standards.** In consultation with the commissioner of agriculture, the office by rule must establish certification, testing, and labeling requirements for the methods used to grow new cannabis plants or hemp plants, including but not limited to growth from seed, clone, cutting, or tissue culture.

Subd. 2. **Agricultural best practices.** In consultation with the commissioner of agriculture and representatives from the University of Minnesota Extension Service, the office shall establish best practices for:

(1) the cultivation and preparation of cannabis plants; and

(2) the use of pesticides, fertilizers, soil amendments, and plant amendments in relation to growing cannabis plants.

Subd. 3. **Edible cannabis product handler endorsement.** (a) Any person seeking to manufacture, process, sell, handle, or store an edible cannabis product or lower-potency hemp edible, other than an edible cannabis product or lower-potency hemp edible that has been placed in its final packaging, must first obtain an edible cannabis product handler endorsement.

(b) In consultation with the commissioner of agriculture, the office shall establish an edible cannabis product handler endorsement.

(c) The office must regulate edible cannabis product handlers and assess penalties in the same manner provided for food handlers under chapters 28A, 31, and 34A and associated rules, with the following exceptions:

(1) the office must issue an edible cannabis product handler endorsement, rather than a license;

(2) eligibility for an edible cannabis product handler endorsement is limited to persons who possess a valid license issued by the office;

(3) the office may not charge a fee for issuing or renewing the endorsement;

(4) the office must align the term and renewal period for edible cannabis product handler endorsements with the term and renewal period of the license issued by the office; and

(5) an edible cannabis product or lower-potency hemp edible must not be considered adulterated solely because the product contains tetrahydrocannabinol, cannabis concentrate, hemp concentrate, synthetically derived cannabinoids, or any other material extracted or derived from a cannabis plant, cannabis flower, hemp plant, or hemp plant parts.

(d) The edible cannabis product handler endorsement must prohibit the manufacture of edible cannabis products at the same premises where food is manufactured, except for the limited production of edible products produced solely for product development, sampling, or testing. This limitation does not apply to the manufacture of lower-potency hemp edibles.

Sec. 8. [342.08] ESTABLISHMENT OF ENVIRONMENTAL STANDARDS.

Subdivision 1. **Water standards.** In consultation with the commissioner of the Pollution Control Agency, the office by rule must establish appropriate water standards for cannabis businesses.

Subd. 2. **Energy use.** In consultation with the commissioner of commerce, the office by rule must establish appropriate energy standards for cannabis businesses.

Subd. 3. **Solid waste.** In consultation with the commissioner of the Pollution Control Agency, the office by rule must establish appropriate solid waste standards for the disposal of:

(1) cannabis flower and cannabis products;

(2) packaging;

(3) recyclable materials, including minimum requirements for the use of recyclable materials;
and

(4) other solid waste.

Subd. 4. **Odor.** The office by rule must establish appropriate standards and requirements to limit odors produced by cannabis businesses.

Subd. 5. **Applicability; federal, state, and local laws.** A cannabis business must comply with all applicable federal, state, and local laws related to the subjects of subdivisions 1 to 4.

Subd. 6. **Rulemaking.** (a) The office may only adopt a rule under this section if the rule is consistent with and at least as stringent as applicable state and federal laws related to the subjects of subdivisions 1 to 4.

(b) The office must coordinate and consult with a department or agency of the state regarding the development and implementation of a rule under this section if the department or agency has expertise or a regulatory interest in the subject matter of the rule.

Sec. 9. [342.09] PERSONAL ADULT USE OF CANNABIS.

Subdivision 1. **Personal adult use, possession, and transportation of adult-use cannabis flower and adult-use cannabis products.** (a) An individual 21 years of age or older may:

(1) use, possess, or transport cannabis paraphernalia;

- (2) possess or transport two ounces or less of adult-use cannabis flower in a public place;
- (3) possess two pounds or less of adult-use cannabis flower derived from sources other than the home cultivation of cannabis plants authorized in subdivision 2 in the individual's private residence;
- (4) possess five pounds or less of adult-use cannabis flower derived from the home cultivation of cannabis plants authorized in subdivision 2 in the individual's private residence;
- (5) possess or transport eight grams or less of adult-use cannabis concentrate;
- (6) possess or transport edible cannabis products or lower-potency hemp edibles infused with a combined total of 800 milligrams or less of tetrahydrocannabinol;
- (7) give for no remuneration to an individual who is at least 21 years of age:
 - (i) two ounces or less of adult-use cannabis flower;
 - (ii) eight grams or less of adult-use cannabis concentrate; or
 - (iii) an edible cannabis product or lower-potency hemp edible infused with 800 milligrams or less of tetrahydrocannabinol; and
- (8) use adult-use cannabis flower and adult-use cannabis products in the following locations:
 - (i) a private residence, including the individual's curtilage or yard;
 - (ii) on private property, not generally accessible by the public, unless the individual is explicitly prohibited from consuming adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products on the property by the owner of the property; or
 - (iii) on the premises of an establishment or event licensed to permit on-site consumption.

Notwithstanding clauses (3) and (4), no individual may possess a total of more than five pounds of adult-use cannabis flower in the individual's private residence regardless of the cannabis's source.

- (b) Except as provided in paragraph (c), an individual may not:
 - (1) use, possess, or transport cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products if the individual is under 21 years of age;
 - (2) use cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a motor vehicle as defined in section 169A.03, subdivision 15;
 - (3) use cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products at any location where smoking is prohibited under section 144.414;
 - (4) use or possess cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a public school, as defined in section 120A.05, subdivisions 9, 11, and 13, or in a charter school governed by chapter 124E, including all facilities, whether owned, rented, or leased, and all vehicles that a school district owns, leases, rents, contracts for, or controls;

(5) use or possess cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a state correctional facility;

(6) operate a motor vehicle while under the influence of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(7) give for no remuneration cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to an individual under 21 years of age;

(8) give for no remuneration cannabis flower or cannabis products as a sample or promotional gift if the giver is in the business of selling goods or services; or

(9) vaporize or smoke cannabis flower, cannabis products, synthetically derived cannabinoids, or hemp-derived consumer products in any location where the smoke, aerosol, or vapor would be inhaled by a minor.

(c) The prohibitions under paragraph (b), clauses (1) to (4), do not apply to use other than by smoking or by a vaporized delivery method, possession, or transportation of medical cannabis flower or medical cannabinoid products by a patient; a registered designated caregiver; or a parent, legal guardian, or spouse of a patient.

(d) A proprietor of a family or group family day care program must disclose to parents or guardians of children cared for on the premises of the family or group family day care program, if the proprietor permits the smoking or use of cannabis flower or cannabis products on the premises outside of its hours of operation. Disclosure must include posting on the premises a conspicuous written notice and orally informing parents or guardians. Cannabis flower or cannabis products must be inaccessible to children and stored away from food products.

Subd. 2. **Home cultivation of cannabis for personal adult use.** Up to eight cannabis plants, with no more than four being mature, flowering plants may be grown at a single residence, including the curtilage or yard, without a license to cultivate cannabis issued under this chapter provided that cultivation takes place at the primary residence of an individual 21 years of age or older and in an enclosed, locked space that is not open to public view.

Subd. 3. **Home extraction of cannabis concentrate by use of volatile solvent prohibited.** No person may use a volatile solvent to separate or extract cannabis concentrate or hemp concentrate without a cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, medical cannabis processor, or lower-potency hemp edible manufacturer license issued under this chapter.

Subd. 4. **Sale of cannabis flower and cannabis products prohibited.** No person may sell cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products without a license issued under this chapter that authorizes the sale.

Subd. 5. **Importation of hemp-derived products.** No person may import lower-potency hemp edibles or hemp-derived consumer products, other than hemp-derived topical products, that are manufactured outside the boundaries of the state of Minnesota with the intent to sell the products to consumers within the state or to any other person or business that intends to sell the products to consumers within the state without a license issued under this chapter that authorizes the importation of such products. This subdivision does not apply to products lawfully purchased for personal use.

Subd. 6. **Violations; penalties.** (a) In addition to penalties listed in this subdivision, a person who violates the provisions of this chapter is subject to any applicable criminal penalty.

(b) The office may assess the following civil penalties on a person who sells cannabis flower without a license issued under this chapter that authorizes the sale:

(1) if the person sells more than two ounces but not more than eight ounces of cannabis flower, up to \$1,000;

(2) if the person sells more than eight ounces but not more than one pound of cannabis flower, up to \$5,000;

(3) if the person sells more than one pound but not more than five pounds of cannabis flower, up to \$25,000;

(4) if the person sells more than five pounds but not more than 25 pounds of cannabis flower, up to \$100,000;

(5) if the person sells more than 25 pounds but not more than 50 pounds of cannabis flower, up to \$250,000; and

(6) if the person sells more than 50 pounds of cannabis flower, up to \$1,000,000.

(c) The office may assess the following civil penalties on a person who sells cannabis concentrate without a license issued under this chapter that authorizes the sale:

(1) if the person sells more than eight grams but not more than 40 grams of cannabis concentrate, up to \$1,000;

(2) if the person sells more than 40 grams but not more than 80 grams of cannabis concentrate, up to \$5,000;

(3) if the person sells more than 80 grams but not more than 400 grams of cannabis concentrate, up to \$25,000;

(4) if the person sells more than 400 grams but not more than two kilograms of cannabis concentrate, up to \$100,000;

(5) if the person sells more than two kilograms but not more than four kilograms of cannabis concentrate, up to \$250,000; and

(6) if the person sells more than four kilograms of cannabis concentrate, up to \$1,000,000.

(d) The office may assess the following civil penalties on a person who imports or sells products infused with tetrahydrocannabinol without a license issued under this chapter that authorizes the importation or sale:

(1) if the person imports or sells products infused with a total of more than 800 milligrams but not more than four grams of tetrahydrocannabinol, up to \$1,000;

(2) if the person imports or sells products infused with a total of more than four grams but not more than eight grams of tetrahydrocannabinol, up to \$5,000;

(3) if the person imports or sells products infused with a total of more than eight grams but not more than 40 grams of tetrahydrocannabinol, up to \$25,000;

(4) if the person imports or sells products infused with a total of more than 40 grams but not more than 200 grams of tetrahydrocannabinol, up to \$100,000;

(5) if the person imports or sells products infused with a total of more than 200 grams but not more than 400 grams of tetrahydrocannabinol, up to \$250,000; and

(6) if the person imports or sells products infused with a total of more than 400 grams of tetrahydrocannabinol, up to \$1,000,000.

(e) The office may assess a civil penalty of up to \$500 for each plant grown in excess of the limit on a person who grows more than eight cannabis plants or more than four mature, flowering plants, without a license to cultivate cannabis issued under this chapter.

Sec. 10. **[342.10] LICENSES; TYPES.**

The office shall issue the following types of license:

(1) cannabis microbusiness;

(2) cannabis mezzobusiness;

(3) cannabis cultivator;

(4) cannabis manufacturer;

(5) cannabis retailer;

(6) cannabis wholesaler;

(7) cannabis transporter;

(8) cannabis testing facility;

(9) cannabis event organizer;

(10) cannabis delivery service;

(11) lower-potency hemp edible manufacturer;

(12) lower-potency hemp edible retailer;

(13) medical cannabis cultivator;

(14) medical cannabis processor; or

(15) medical cannabis retailer.

Sec. 11. [342.11] LICENSES; FEES.

(a) The office shall require the payment of application fees, initial licensing fees, and renewal licensing fees as provided in this section. The initial license fee shall include the fee for initial issuance of the license and the first annual renewal. The renewal fee shall be charged at the time of the second renewal and each subsequent annual renewal thereafter. Nothing in this section prohibits a local unit of government from charging the retailer registration fee established in section 342.22. Application fees, initial licensing fees, and renewal licensing fees are nonrefundable.

(b) Application and licensing fees shall be as follows:

(1) for a cannabis microbusiness:

(i) an application fee of \$500;

(ii) an initial license fee of \$0; and

(iii) a renewal license fee of \$2,000;

(2) for a cannabis mezzobusiness:

(i) an application fee of \$5,000;

(ii) an initial license fee of \$5,000; and

(iii) a renewal license fee of \$10,000;

(3) for a cannabis cultivator:

(i) an application fee of \$10,000;

(ii) an initial license fee of \$20,000; and

(iii) a renewal license fee of \$30,000;

(4) for a cannabis manufacturer:

(i) an application fee of \$10,000;

(ii) an initial license fee of \$10,000; and

(iii) a renewal license fee of \$20,000;

(5) for a cannabis retailer:

(i) an application fee of \$2,500;

(ii) an initial license fee of \$2,500; and

(iii) a renewal license fee of \$5,000;

(6) for a cannabis wholesaler:

- (i) an application fee of \$5,000;
- (ii) an initial license fee of \$5,000; and
- (iii) a renewal license fee of \$10,000;
- (7) for a cannabis transporter:
 - (i) an application fee of \$250;
 - (ii) an initial license fee of \$500; and
 - (iii) a renewal license fee of \$1,000;
- (8) for a cannabis testing facility:
 - (i) an application fee of \$10,000;
 - (ii) an initial license fee of \$10,000; and
 - (iii) a renewal license fee of \$20,000;
- (9) for a cannabis delivery service:
 - (i) an application fee of \$250;
 - (ii) an initial license fee of \$500; and
 - (iii) a renewal license fee of \$1,000;
- (10) for a cannabis event organizer:
 - (i) an application fee of \$750; and
 - (ii) an initial license fee of \$750;
- (11) for a lower-potency hemp edible manufacturer:
 - (i) an application fee of \$250;
 - (ii) an initial license fee of \$1,000; and
 - (iii) a renewal license fee of \$1,000;
- (12) for a lower-potency hemp edible retailer:
 - (i) an application fee of \$250 per retail location;
 - (ii) an initial license fee of \$250 per retail location; and
 - (iii) a renewal license fee of \$250 per retail location;

(13) for a medical cannabis cultivator:

(i) an application fee of \$250;

(ii) an initial license fee of \$0; and

(iii) a renewal license fee of \$0;

(14) for a medical cannabis processor:

(i) an application fee of \$250;

(ii) an initial license fee of \$0; and

(iii) a renewal license fee of \$0; and

(15) for a medical cannabis retailer:

(i) an application fee of \$250;

(ii) an initial license fee of \$0; and

(iii) a renewal license fee of \$0.

Sec. 12. **[342.12] LICENSES; TRANSFERS; ADJUSTMENTS.**

(a) Licenses issued under this chapter may be freely transferred subject to the prior written approval of the office, which approval may be given or withheld in the office's sole discretion, provided that a social equity applicant may only transfer the applicant's license to another social equity applicant. A new license must be obtained when:

(1) the form of the licensee's legal business structure converts or changes to a different type of legal business structure; or

(2) the licensee dissolves; reorganizes; undergoes bankruptcy, insolvency, or receivership proceedings; or assigns all or substantially all of its assets for the benefit of creditors.

(b) Licenses must be renewed annually.

(c) License holders may petition the office to adjust the tier of a license issued within a license category provided that the license holder meets all applicable requirements.

(d) The office by rule may permit relocation of a licensed cannabis business, adopt requirements for the submission of a license relocation application, establish standards for the approval of a relocation application, and charge a fee not to exceed \$250 for reviewing and processing applications. Relocation of a licensed premises pursuant to this paragraph does not extend or otherwise modify the license term of the license subject to relocation.

Sec. 13. **[342.13] LOCAL CONTROL.**

(a) A local unit of government may not prohibit the possession, transportation, or use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products authorized under this chapter.

(b) A local unit of government may not prohibit the establishment or operation of a cannabis business licensed under this chapter.

(c) A local unit of government may adopt reasonable restrictions on the time, place, and manner of the operation of a cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses. A local unit of government may prohibit the operation of a cannabis business within 500 feet of a school, day care, or park.

(d) The office shall work with local units of government to develop model ordinances for reasonable restrictions on the time, place, and manner of the operation of a cannabis business.

(e) If a local unit of government is conducting studies or has authorized a study to be conducted or has held or has scheduled a hearing for the purpose of considering adoption or amendment of reasonable restrictions on the time, place, and manner of the operation of a cannabis business, the governing body of the local unit of government may adopt an interim ordinance applicable to all or part of its jurisdiction for the purpose of protecting the planning process and the health, safety, and welfare of its citizens. Before adopting the interim ordinance, the governing body must hold a public hearing. The interim ordinance may regulate, restrict, or prohibit the operation of a cannabis business within the jurisdiction or a portion thereof until January 1, 2025.

(f) Within 30 days of receiving a copy of an application for a cannabis business license from the office, a local unit of government shall certify on a form provided by the office whether a proposed cannabis business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code.

(g) Upon receipt of an application for a license issued under this chapter, the office shall contact the local unit of government in which the business would be located and provide the local unit of government with 30 days in which to provide input on the application. The local unit of government may provide the office with any additional information it believes is relevant to the office's decision on whether to issue a license, including but not limited to identifying concerns about the proposed location of a cannabis business or sharing public information about an applicant.

(h) The office by rule shall establish an expedited complaint process to receive, review, and respond to complaints made by a local unit of government about a cannabis business. Complaints may include alleged violations of local ordinances or other alleged violations. At a minimum, the expedited complaint process shall require the office to provide an initial response to the complaint within seven days and perform any necessary inspections within 30 days. Nothing in this paragraph prohibits a local unit of government from enforcing a local ordinance.

Sec. 14. **[342.135] LOCAL RESTRICTION ON NUMBER OF CANNABIS RETAILERS.**

(a) A local government unit that issues cannabis retailer registration under section 342.22 may, by ordinance, limit the number of licensed cannabis retailers consistent with the following limits:

(1) in cities of the first class and counties, one license for every 10,000 population;

(2) in cities of the second class, at least four licenses plus one for every 5,000 over 45,000 population;

(3) in cities of the third class, at least two licenses;

(4) in cities of 5,000 to 10,000 population, at least one license; and

(5) in cities under 5,000 population, at least one license.

(b) Nothing in this subdivision shall prohibit a local government from allowing licensed cannabis retailers in excess of the minimums set in paragraph (a).

Sec. 15. **[342.14] LICENSE APPLICATION AND RENEWAL; FEES.**

Subdivision 1. **Application; contents.** (a) The office by rule shall establish forms and procedures for the processing of licenses issued under this chapter. At a minimum, any application to obtain or renew a license shall include the following information, if applicable:

(1) the name, address, and date of birth of the applicant;

(2) the disclosure of ownership and control required under paragraph (b);

(3) the disclosure of whether the applicant or, if the applicant is a business, any officer, director, manager, and general partner of the business has ever filed for bankruptcy;

(4) the address and legal property description of the business;

(5) a general description of the location or locations the applicant plans to operate, including the planned square feet of planned space for cultivation, wholesaling, and retailing, as applicable;

(6) a diversity plan that establishes a goal of diversity in ownership, management, employment, and contracting;

(7) a copy of the security plan;

(8) proof of trade name registration;

(9) a copy of the applicant's business plan showing the expected size of the business; anticipated growth; the methods of record keeping; the knowledge and experience of the applicant and any officer, director, manager, and general partner of the business; the environmental plan; and other relevant financial and operational components;

(10) an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement;

(11) certification that the applicant will comply with the requirements of this chapter relating to the ownership and operation of a cannabis business;

(12) a land use compatibility statement from the local unit of government;

(13) identification of one or more controlling persons or managerial employees as agents who shall be responsible for dealing with the office on all matters; and

(14) a statement that the applicant agrees to respond to the office's supplemental requests for information.

(b) An applicant must file and update as necessary a disclosure of ownership and control. The office by rule shall establish the contents and form of the disclosure. At a minimum, the disclosure shall include the following:

(1) the management structure, ownership, and control of the applicant or license holder, including the name of each cooperative member, officer, director, manager, general partner or business entity; the office or position held by each person; each person's percentage ownership interest, if any; and, if the business has a parent company, the name of each owner, board member, and officer of the parent company and the owner's, board member's, or officer's percentage ownership interest in the parent company and the cannabis business;

(2) a statement from the applicant and, if the applicant is a business, from every officer, director, manager, and general partner of the business, indicating whether that person has previously held, or currently holds, an ownership interest in a cannabis business in Minnesota, any other state or territory of the United States, or any other country;

(3) if the applicant is a corporation, copies of its articles of incorporation and bylaws and any amendments to its articles of incorporation or bylaws;

(4) copies of any partnership agreement, operating agreement, or shareholder agreement;

(5) copies of any promissory notes, security instruments, or other similar agreements;

(6) explanation detailing the funding sources used to finance the business;

(7) a list of operating and investment accounts for the business, including any applicable financial institution and account number; and

(8) a list of each outstanding loan and financial obligation obtained for use in the business, including the loan amount, loan terms, and name and address of the creditor.

(c) An application may include:

(1) proof that the applicant is a social equity applicant;

(2) a description of the training and education that will be provided to any employee; or

(3) a copy of business policies governing operations to ensure compliance with this chapter.

(d) Commitments made by an applicant in its application, including but not limited to the maintenance of a labor peace agreement, shall be an ongoing material condition of maintaining and renewing the license.

(e) An application on behalf of a corporation or association shall be signed by at least two officers or managing agents of that entity.

Subd. 2. **Application; process.** (a) An applicant must submit all required information to the office on the forms and in the manner prescribed by the office.

(b) If the office receives an application that fails to provide the required information, the office shall issue a deficiency notice to the applicant. The applicant shall have ten business days from the date of the deficiency notice to submit the required information.

(c) Failure by an applicant to submit all required information will result in the application being rejected.

(d) Upon receipt of a completed application and fee, or a site permit application, the office shall forward a copy of the application to the local unit of government in which the business operates or intends to operate with a form for certification as to whether a proposed cannabis business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code.

(e) Within 90 days of receiving a completed application, the office shall issue the appropriate license or send the applicant a notice of rejection setting forth specific reasons that the office did not approve the application.

Subd. 3. **Criminal history check.** A license applicant or, in the case of a business entity, every cooperative member or director, manager, and general partner of the business entity, must submit a completed criminal history records check consent form, a full set of classifiable fingerprints, and the required fees to the office. Upon receipt of this information, the office must submit the completed criminal history records check consent form, full set of classifiable fingerprints, and required fees to the Bureau of Criminal Apprehension. After receiving this information, the bureau must conduct a Minnesota criminal history records check of the person. The bureau may exchange the person's fingerprints with the Federal Bureau of Investigation to obtain the person's national criminal history record information. The bureau must return the results of the Minnesota and federal criminal history records checks to the director to determine if the person is disqualified under section 342.19.

Sec. 16. [342.15] SOCIAL EQUITY APPLICANTS.

An individual qualifies as a social equity applicant if the individual is:

(1) a military veteran who lost honorable status due to a cannabis-related offense;

(2) a resident for the last five years of one or more subareas, such as census tracts or neighborhoods, that experienced a disproportionately large amount of cannabis enforcement as determined by the study conducted by the office pursuant to section 342.04, paragraph (b), and reported in the preliminary report, final report, or both; or

(3) a resident for the last five years of one or more census tracts where, as reported in the most recently completed decennial census published by the United States Bureau of the Census, either:

(i) the poverty rate was 20 percent or more; or

(ii) the median family income did not exceed 80 percent of statewide median family income or, if in a metropolitan area, did not exceed the greater of 80 percent of the statewide median family income or 80 percent of the median family income for that metropolitan area.

Sec. 17. **[342.16] LICENSE SELECTION CRITERIA.**

Subdivision 1. **Market stability.** The office shall issue the necessary number of licenses in order to ensure the sufficient supply of cannabis flower and cannabis products to meet demand, provide market stability, ensure a competitive market, and limit the sale of unregulated cannabis flower and cannabis products. The office shall annually complete a market analysis to determine whether it is fulfilling the four requirements listed in this subdivision. The office shall hold public hearings as part of the market analysis to hear from consumers, market stakeholders, and potential new applicants.

Subd. 2. **Vertical integration prohibited; exceptions.** (a) Except as otherwise provided in this subdivision, the office shall not issue licenses to a single applicant that would result in the applicant being vertically integrated in violation of the provisions of this chapter.

(b) Nothing in this section prohibits or limits the issuance of microbusiness licenses or mezzobusiness licenses or the issuance of both lower-potency hemp edible manufacturer and lower-potency hemp edible retailer licenses to the same person or entity.

(c) Nothing in this section prohibits or limits the two medical cannabis licensees licensed as of January 1, 2023, from being vertically integrated through its existing cultivation, processing, and dispensaries.

Subd. 3. **Application score; license priority.** (a) The office shall award points to each completed application for a license to operate a cannabis business in the following categories:

(1) status as a social equity applicant or as an applicant who is substantially similar to a social equity applicant as described in paragraph (c);

(2) status as a veteran applicant;

(3) security and record keeping;

(4) employee training plan;

(5) business plan and financial situation;

(6) diversity plan;

(7) labor and employment practices;

(8) knowledge and experience; and

(9) environmental plan.

(b) The office may award additional points to an application if the license holder would expand service to an underrepresented market including but not limited to participation in the medical cannabis program.

(c) The office shall establish application materials permitting individual applicants to demonstrate the impact that cannabis prohibition has had on that applicant including but not limited to the arrest or imprisonment of the applicant or a member of the applicant's immediate family, and the office may award points to such applicants in the same manner as points are awarded to social equity applicants.

(d) The office shall establish policies and guidelines, which shall be made available to the public, regarding the number of points available in each category and the basis for awarding those points. Status as a social equity applicant must account for at least 20 percent of the total available points. In determining the number of points to award to a cooperative or business applying as a social equity applicant, the office shall consider the number or ownership percentage of cooperative members, officers, directors, managers, and general partners who qualify as social equity applicants.

(e) Consistent with the goals identified in subdivision 1, the office shall issue licenses in each license category, giving priority to applicants who receive the highest score under paragraphs (a) and (b). If there are insufficient licenses available for entities that receive identical scores, the office shall utilize a lottery to randomly select license recipients from among those entities.

Subd. 4. **Local land use compatibility statement.** (a) Prior to the issuance of a license, the office shall request a land use compatibility statement from the city, town, or county that authorizes the land use. The land use compatibility statement must demonstrate that the requested license is for a land use that is allowable within the given zoning designation where the land is located. The office may not issue a license if the land use compatibility statement shows that the proposed land use is prohibited in the applicable zone or if the applicant has failed to meet the land use requirements of the jurisdiction.

(b) A city, town, or county that receives a request from the office for a land use compatibility statement under this section must act on that request within 21 days of receipt of the request if the land use is allowable and the applicant has applied for and received all necessary land use approvals.

(c) The office shall not issue a license to an applicant who has failed to receive a local land use compatibility statement approval from a local unit of government or to an applicant whose local approvals have been suspended or revoked.

Sec. 18. [342.17] INSPECTION; LICENSE VIOLATIONS; PENALTIES.

Subdivision 1. **Authority to inspect.** (a) In order to carry out the purposes of this chapter, the office, upon presenting appropriate credentials to the owner, operator, or agent in charge, is authorized to:

(1) enter any cannabis business or hemp business without delay and at reasonable times;

(2) inspect and investigate during regular working hours and at other reasonable times, within reasonable limits and in a reasonable manner, any cannabis business or hemp business and all relevant conditions, equipment, records, and materials therein; and

(3) question privately any employer, owner, operator, agent, or employee of a cannabis business or hemp business.

(b) An employer, owner, operator, agent, or employee must not refuse the office entry or otherwise deter or prohibit the office from taking action under paragraph (a).

Subd. 2. Powers of office. (a) In making inspections and investigations under this chapter, the office shall have the power to administer oaths, certify as to official acts, take and cause to be taken depositions of witnesses, issue subpoenas, and compel the attendance of witnesses and production of papers, books, documents, records, and testimony. In case of failure of any person to comply with any subpoena lawfully issued, or on the refusal of any witness to produce evidence or to testify to any matter regarding which the person may be lawfully interrogated, the district court shall, upon application of the office, compel obedience proceedings for contempt, as in the case of disobedience of the requirements of a subpoena issued by the court or a refusal to testify therein.

(b) If the office finds probable cause to believe that any cannabis plant, cannabis flower, cannabis product, synthetically derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product is being distributed in violation of this chapter or rules adopted under this chapter, the office shall affix to the item a tag, withdrawal from distribution order, or other appropriate marking providing notice that the cannabis plant, cannabis flower, cannabis product, synthetically derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product is, or is suspected of being, distributed in violation of this chapter and has been detained or embargoed, and warning all persons not to remove or dispose of the item by sale or otherwise until permission for removal or disposal is given by the office or the court. It is unlawful for a person to remove or dispose of detained or embargoed cannabis plant, cannabis flower, cannabis product, synthetically derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product by sale or otherwise without the office's or a court's permission and each transaction is a separate violation of this section.

(c) Notwithstanding subdivision 5, if any cannabis plant, cannabis flower, cannabis product, synthetically derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product has been found by the office to be in violation of this chapter, the office shall petition the district court in the county in which the item is detained or embargoed for an order and decree for the condemnation of the item. The office shall release the cannabis plant, cannabis flower, cannabis product, synthetically derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product when this chapter and rules adopted under this chapter have been complied with or the item is found not to be in violation of this chapter or rules adopted under this chapter.

(d) If the court finds that detained or embargoed cannabis plant, cannabis flower, synthetically derived cannabinoid, cannabis product, lower-potency hemp edible, or hemp-derived consumer product is in violation of this chapter or rules adopted under this chapter, the following remedies are available:

(1) after entering a decree, the cannabis plant, cannabis flower, cannabis product, synthetically derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product may be destroyed at the expense of the claimant under the supervision of the office, and all court costs, fees, storage, and other proper expenses must be assessed against the claimant of the cannabis plant, cannabis flower, cannabis product, synthetically derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product or the claimant's agent; and

(2) if the violation can be corrected by proper labeling or processing of the cannabis plant, cannabis flower, cannabis product, synthetically derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product, the court, after entry of the decree and after costs, fees, and expenses have been paid, and a good and sufficient bond conditioned that the cannabis plant, cannabis flower, synthetically derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product must be properly labeled or processed has been executed, may by order direct that the cannabis plant, cannabis flower, cannabis product, synthetically derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product be delivered to the claimant for proper labeling or processing under the supervision of the office. The office's supervision expenses must be paid by the claimant. The cannabis plant, cannabis flower, cannabis product, synthetically derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product must be returned to the claimant and the bond must be discharged on representation to the court by the office that the cannabis plant, cannabis flower, cannabis product, synthetically derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product is no longer in violation and that the office's supervision expenses have been paid.

(e) If the office finds in any room, building, piece of equipment, vehicle of transportation, or other structure any cannabis plant, cannabis flower, cannabis product, synthetically derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product that is unsound or contains any filthy, decomposed, or putrid substance, or that may be poisonous or deleterious to health or otherwise unsafe, the office shall condemn or destroy the item or in any other manner render the item as unsalable, and no one has any cause of action against the office on account of the office's action.

(f) The office may enter into an agreement with the commissioner of agriculture to analyze and examine samples or other articles furnished by the office for the purpose of determining whether the sample or article violates this chapter or rules adopted under this chapter. A copy of the examination or analysis report for any such article, duly authenticated under oath by the laboratory analyst making the determination or examination, shall be prima facie evidence in all courts of the matters and facts contained in the report.

Subd. 3. **Aiding of inspection.** Subject to rules issued by the office, a representative of a cannabis business or hemp business shall be given an opportunity to accompany the office during the physical inspection of any cannabis business or hemp business for the purpose of aiding such inspection.

Subd. 4. **Complaints and reports; priority of inspection.** (a) The office may conduct inspections of any licensed cannabis business or hemp business at any time to ensure compliance with the ownership and operation requirements of this chapter.

(b) Any person may report a suspected violation of a safety or health standard. If upon receipt of such notification the office determines that there are reasonable grounds to believe that such violation or danger exists, the office shall make a special inspection as soon as practicable to determine if such danger or violation exists.

(c) The office shall prioritize inspections of cannabis businesses or hemp businesses where there are reasonable grounds to believe that a violation poses imminent danger to the public or customers.

(d) The office shall promptly inspect cannabis businesses or hemp businesses that are the subject of complaint by a local unit of government.

Subd. 5. **Violations; administrative orders and penalties.** (a) The office may issue an administrative order to any licensed cannabis business or hemp business that the office determines has committed a violation of this chapter or rules adopted pursuant to this chapter. The administrative order may require the business to correct the violation or to cease and desist from committing the violation. The order must state the deficiencies that constitute the violation and the time by which the violation must be corrected. If the business believes that the information in the administrative order is in error, the business may ask the office to consider the parts of the order that are alleged to be in error. The request must be in writing, delivered to the office by certified mail within seven days after receipt of the order, and provide documentation to support the allegation of error. The office must respond to a request for reconsideration within 15 days after receiving the request. A request for reconsideration does not stay the correction order unless the office issues a supplemental order granting additional time. The office's disposition of a request for reconsideration is final.

(b) For each violation of this chapter or rules adopted pursuant to this chapter, the office may issue to each business a monetary penalty of up to \$10,000, an amount that deprives the business of any economic advantage gained by the violation, or both.

(c) An administrative penalty may be recovered in a civil action in the name of the state brought in the district court of the county where the violation is alleged to have occurred or the district court where the office is housed.

(d) In addition to penalties listed in this subdivision, a person or business who violates the provisions of this chapter is subject to any applicable criminal penalty.

Sec. 19. [342.18] LICENSE SUSPENSION OR REVOCATION; HEARING.

Subdivision 1. **License revocation and nonrenewal.** The office may revoke or not renew a license when the office has cause to believe that a cannabis business has violated an ownership or operational requirement in this chapter or rules adopted pursuant to this chapter. The office must notify the license holder in writing, specifying the grounds for revocation or nonrenewal and fixing a time of at least 20 days thereafter for a hearing on the matter.

Subd. 2. **Hearing; written findings.** (a) Before the office revokes or does not renew a license, the office must provide the license holder with a statement of the complaints made against the license holder, and the office must hold a hearing to determine whether the office should revoke the license or deny renewal of the license. The license holder shall receive notice at least 20 days before the date of the hearing and notice may be served either by certified mail addressed to the address of the license holder as shown in the license application or in the manner provided by law for the service of a summons. At the time and place fixed for the hearing, the office, or any office employee or agent authorized by the office to conduct the hearing, shall receive evidence, administer oaths, and examine witnesses.

(b) After the hearing held pursuant to paragraph (a), or upon the failure of the license holder to appear at the hearing, the office must take action as is deemed advisable and issue written findings that the office must mail to the license holder. An action of the office under this paragraph is subject to judicial review pursuant to chapter 14.

Subd. 3. **Temporary suspension.** The office may temporarily, without hearing, suspend the license and operating privilege of any business licensed under this chapter for up to 90 days if continuing the operation of the business would threaten the health or safety of any person. The office may extend the period for an additional 90 days if the office notified the business that the office intends to revoke or not renew a license and the hearing required under subdivision 2 has not taken place.

Sec. 20. **[342.185] DATA PRACTICES; APPLICANTS; LICENSE HOLDERS.**

Subdivision 1. **Not public data.** The following data collected, created, or maintained by the office are classified as nonpublic data, as defined by section 13.02, subdivision 9, or as private data on individuals, as defined by section 13.02, subdivision 12:

(1) application data submitted by an applicant for a cannabis business license, other than the data listed in subdivision 2;

(2) the identity of a complainant who has made a report concerning a license holder or applicant that appears in inactive complaint data unless the complainant consents to the disclosure;

(3) the nature or content of unsubstantiated complaints when the information is not maintained in anticipation of legal action;

(4) the record of any disciplinary proceeding except as limited by subdivision 4;

(5) data identifying retail or wholesale customers of a cannabis business; and

(6) data identifying cannabis workers.

Subd. 2. **Public data on license applicants.** (a) The following application data submitted by an applicant for a cannabis business license are public data:

(1) the applicant's name and designated address;

(2) data disclosing the ownership and control of the applicant;

(3) proof of trade name registration;

(4) data showing the legal possession of the premises where the business will operate;

(5) data describing whether volatile chemicals will be used in any methods of extraction or concentration;

(6) environmental plans;

(7) the type and number of other cannabis business licenses held by the applicant; and

(8) the name, address, location, dates, and hours of where any proposed cannabis event will take place.

(b) Scoring and other data generated by the office in its review of an applicant for a cannabis business license are public data.

Subd. 3. **Public application data on license holders.** Once an applicant for a cannabis business license becomes a license holder, all of the application data that the license holder had previously submitted to the office are public data except that the following data remain classified as nonpublic data or private data on individuals:

- (1) data identifying retail or wholesale customers of a cannabis business;
- (2) data identifying cannabis workers;
- (3) tax returns, bank account statements, and other financial account information;
- (4) business plans; and
- (5) security information and trade secret information, as defined by section 13.37.

Subd. 4. **Public disciplinary data.** Minutes, orders for hearings, findings of fact, conclusions of law, and specification of the final disciplinary action contained in the record of the disciplinary action are classified as public data. If there is a public hearing concerning the disciplinary action, the entire record concerning the disciplinary action is public data. If the license holder and the office agree to resolve a complaint without a hearing, the agreement and the specific reasons for the agreement are public data.

Subd. 5. **Data practices administration.** (a) The office must establish written procedures to ensure that only individuals authorized by law may enter, update, or access data maintained by the office and classified as nonpublic or private data on individuals. An authorized individual's ability to enter, update, or access not public data must correspond to the official duties or training level of the individual and to the statutory authorization granting access for that purpose. All queries and responses, and all actions in which not public data are entered, updated, accessed, shared, or disseminated, must be recorded in a data audit trail. Data contained in the audit trail have the same classification as the underlying data tracked by the audit trail.

(b) The office must not share data classified as nonpublic or private data on individuals under this section or other data identifying an individual applicant or license holder with any federal agency, federal department, or federal entity unless specifically ordered to do so by a state or federal court.

(c) The office must arrange for an independent audit to verify compliance with this section. The audit must be completed annually for the first two years following establishment of the office and biennially thereafter. The results of the audit are public. No later than 30 days following completion of the audit, the office must provide a report summarizing the audit results to the chairs and ranking minority members of the committees of the house of representatives and the senate with jurisdiction over commerce and data practices, and the Legislative Commission on Data Practices and Personal Data Privacy. The report must be submitted as required under section 3.195, except that printed copies are not required.

Sec. 21. **[342.19] CANNABIS BUSINESS; GENERAL OWNERSHIP DISQUALIFICATIONS AND REQUIREMENTS.**

Subdivision 1. **Criminal history check.** Every license applicant and prospective cannabis worker must submit a completed criminal history records check consent form, a full set of classifiable fingerprints, and the required fees to the office. Upon receipt of this information, the office must submit the completed criminal history records check consent form, full set of classifiable fingerprints, and required fees to the Bureau of Criminal Apprehension. After receiving this information, the bureau must conduct a Minnesota criminal history records check of the person. The bureau may exchange the person's fingerprints with the Federal Bureau of Investigation to obtain the person's national criminal history record information. The bureau must return the results of the Minnesota and federal criminal history records checks to the director to determine if the person is disqualified under this section.

Subd. 2. **Criminal offenses; disqualifications.** (a) No person may hold or receive a license issued under this chapter or work for a cannabis business if the person has been convicted of, or received a stay of adjudication for, a violation of a state or federal controlled substance law that is a felony under Minnesota law or would be a felony if committed in Minnesota, regardless of the sentence imposed, unless the office determines that the person's conviction was for the possession or sale of cannabis.

(b) A person who has been convicted of, or received a stay of adjudication for, a violation of Minnesota Statutes 2022, section 152.023, subdivision 1, clause (3), or a state or federal law in conformity with that provision, for the sale of cannabis to a person under the age of 18 may hold or receive a license issued under this chapter, or work for a cannabis business, if 20 years have passed since the date the person was convicted or adjudication was stayed.

(c) Except as provided in paragraph (a), (b), or (d), a person who has been convicted of, or received a stay of adjudication for, a violation of a state or federal law that is a felony under Minnesota law or would be a felony if committed in Minnesota, regardless of the sentence imposed, may hold or receive a license issued under this chapter, or work for a cannabis business, if five years have passed since the discharge of the sentence.

(d) No license holder or applicant may hold or receive a license issued under this chapter, or work for a cannabis business, if the person has been convicted of a sale of cannabis in the first degree under section 152.0264, subdivision 1.

(e) A person who has been convicted of sale of cannabis in the second degree under section 152.0264, subdivision 2, may hold or receive a license issued under this chapter or work for a cannabis business if ten years have passed since the discharge of the sentence.

(f) A person who has been convicted of sale of cannabis in the third degree under section 152.0264, subdivision 3, may hold or receive a license issued under this chapter or work for a cannabis business if five years have passed since the discharge of the sentence.

(g) A person who has been convicted of sale of cannabis in the fourth degree under section 152.0264, subdivision 4, may hold or receive a license issued under this chapter or work for a cannabis business if one year has passed since the discharge of the sentence.

(h) If the license holder or applicant is a business entity, the disqualifications under this subdivision apply to every cooperative member or every director, manager, and general partner of the business entity.

Subd. 3. **Risk of harm; set aside.** The office may set aside a disqualification under subdivision 2 if the office finds that the person has submitted sufficient information to demonstrate that the person does not pose a risk of harm to any person served by the applicant, license holder, or other entities as provided in this chapter.

Subd. 4. **General requirements.** (a) A license holder or applicant must meet each of the following requirements, if applicable, to hold or receive a license issued under this chapter:

(1) be at least 21 years of age;

(2) have completed an application for licensure or application for renewal;

(3) have paid the applicable application fee;

(4) if the applicant or license holder is a business entity, be incorporated in the state or otherwise formed or organized under the laws of the state;

(5) not be employed by the office or any state agency with regulatory authority under this chapter or the rules adopted pursuant to this chapter;

(6) not be a licensed peace officer, as defined in section 626.84, subdivision 1, paragraph (c);

(7) never have had a license previously issued under this chapter revoked;

(8) have filed any previously required tax returns for a cannabis business;

(9) have paid and remitted any business taxes, gross receipts taxes, interest, or penalties due relating to the operation of a cannabis business;

(10) have fully and truthfully complied with all information requests of the office relating to license application and renewal;

(11) not be disqualified under subdivision 2;

(12) not employ an individual who is disqualified from working for a cannabis business under this chapter; and

(13) meet the ownership and operational requirements for the type of license and, if applicable, endorsement sought or held.

(b) If the license holder or applicant is a business entity, every officer, director, manager, and general partner of the business entity must meet each of the requirements of this section.

Sec. 22. [342.20] CANNABIS BUSINESSES; GENERAL OPERATIONAL REQUIREMENTS AND PROHIBITIONS.

Subdivision 1. **Individuals under 21 years of age.** (a) A cannabis business may not employ an individual under 21 years of age and may not contract with an individual under 21 years of age if the individual's scope of work involves the handling of cannabis plants, cannabis flower, synthetically derived cannabinoids, or cannabis products.

(b) A cannabis business may not permit an individual under 21 years of age to enter the business premises other than entry by a patient enrolled in the registry program.

(c) A cannabis business may not sell or give cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to an individual under 21 years of age unless the individual is a patient; registered designated caregiver; or parent, legal guardian, or spouse of a patient who is authorized to use, possess, or transport medical cannabis flower or medical cannabinoid products.

Subd. 2. Use of cannabis flower and cannabis products within a licensed cannabis business.

(a) A cannabis business may not permit an individual who is not an employee to consume cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products within its licensed premises unless the business is licensed to permit on-site consumption or the business has an on-site endorsement to a license authorizing the sale of lower-potency hemp edibles.

(b) Except as otherwise provided in this subdivision, a cannabis business may not permit an employee to consume cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products within its licensed premises or while the employee is otherwise engaged in activities within the course and scope of employment.

(c) A cannabis business may permit an employee to use medical cannabis flower and medical cannabinoid products if that individual is a patient.

(d) For quality control, employees of a licensed cannabis business may sample cannabis flower or cannabis products. Employees may not interact directly with customers for at least three hours after sampling a product. Employees may not consume more than three samples in a single 24-hour period. All samples must be recorded in the statewide monitoring system.

Subd. 3. Restricted access. (a) Except as otherwise provided in this subdivision, a cannabis business may not permit any individual to enter a restricted area unless the cannabis business records the individual's name, time of entry, time of exit, and authorization to enter the restricted area through use of an electronic or manual entry log and the individual:

(1) is a cannabis worker employed by or contracted with the cannabis business;

(2) is an employee of the office or another enforcement agency;

(3) is a contractor of the cannabis business, including but not limited to an electrician, a plumber, an engineer, or an alarm technician, whose scope of work will not involve the handling of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products and, if the individual is working in an area with immediate access to cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products, the individual is supervised at all times by a cannabis worker employed by or contracted with the cannabis business; or

(4) has explicit authorization from the office to enter a restricted area and, if the individual is in an area with immediate access to cannabis flower or cannabis products, the individual is supervised at all times by a cannabis worker employed by or contracted with the cannabis business.

(b) A cannabis business shall ensure that all areas of entry to restricted areas within its licensed premises are conspicuously marked and cannot be entered without recording the individual's name, time of entry, time of exit, and authorization to enter the restricted area.

Subd. 4. **Ventilation and filtration.** A cannabis business must maintain a ventilation and filtration system sufficient to meet the requirements for odor control established by the office.

Subd. 5. **Records.** (a) A cannabis business must retain financial records for the current and previous tax year at the primary business location and must make those records available for inspection by the office at any time during regular business hours.

(b) When applicable, a cannabis business must maintain financial records for the previous ten tax years and must make those records available for inspection within one business day of receiving a request for inspection by the office.

(c) The office may require a cannabis business to submit to an audit of its business records. The office may select or approve the auditor and the cannabis business must provide the auditor with access to all business records. The cost of the audit must be paid by the cannabis business.

Subd. 6. **Diversity report.** A cannabis business shall provide an annual report on the status of diversity in the business ownership, management, and employment and in services for which the business contracts.

Subd. 7. **Use of statewide monitoring system.** (a) A cannabis business must use the statewide monitoring system for integrated cannabis tracking, inventory, and verification to track all cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products the cannabis business has in its possession to the point of disposal, transfer, or sale.

(b) For the purposes of this subdivision, a cannabis business possesses the cannabis plants and cannabis flower that the business cultivates from seed or immature plant, if applicable, or receives from another cannabis business, and possesses the cannabis products, lower-potency hemp edibles, and hemp-derived consumer products that the business manufactures or receives from another cannabis business.

(c) Sale and transfer of cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products must be recorded in the statewide monitoring system within the time established by rule.

Subd. 8. **Disposal; loss documentation.** (a) A cannabis business must dispose of cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and synthetically derived cannabinoids that are damaged, have a broken seal, have been contaminated, or have not been sold by the expiration date on the label.

(b) Disposal must be conducted in a manner approved by the office.

(c) Disposed products must be documented in the statewide monitoring system.

(d) Any lost or stolen products must be reported to local law enforcement and a cannabis business must log any lost or stolen products in the statewide monitoring system as soon as the loss is discovered.

Subd. 9. **Sale of approved products.** A cannabis business may only sell cannabis plants, cannabis flower, cannabis products, and synthetically derived cannabinoids that are approved by the office and that comply with this chapter and rules adopted pursuant to this chapter regarding the testing, packaging, and labeling of cannabis plants, cannabis flower, cannabis products, and synthetically derived cannabinoids.

Subd. 10. **Security.** A cannabis business must maintain and follow a security plan to deter and prevent the theft or diversion of cannabis plants, cannabis flower, cannabis products, or hemp-derived consumer products; unauthorized entry into the cannabis business; and the theft of currency.

Subd. 11. **Financial relationship.** (a) Except for the lawful sale of cannabis plants, cannabis flower, cannabis products, and synthetically derived cannabinoids in the ordinary course of business and as otherwise provided in this subdivision, no cannabis business may offer, give, accept, receive, or borrow money or anything else of value or accept or receive credit from any other cannabis business. This prohibition applies to offering or receiving a benefit in exchange for preferential placement by a cannabis retailer, including preferential placement on the cannabis retailer's shelves, display cases, or website. This prohibition applies to every cooperative member or every director, manager, and general partner of a cannabis business.

(b) This prohibition does not apply to merchandising credit in the ordinary course of business for a period not to exceed 30 days or for marketing or consumer education materials made available in a retail location.

(c) This prohibition does not apply to free samples of useable cannabis flower or cannabis products packaged in a sample jar protected by a plastic or metal mesh screen to allow customers to smell the cannabis flower or cannabis product before purchase. A sample jar may not contain more than eight grams of useable cannabis flower, eight grams of a cannabis concentrate, or an edible cannabis product infused with 100 milligrams of tetrahydrocannabinol.

(d) This prohibition does not apply to free samples of cannabis flower or cannabis products provided to a cannabis retailer or cannabis wholesaler for the purposes of quality control and to allow cannabis retailers to determine whether to offer a product for sale. A sample provided for these purposes may not contain more than eight grams of useable cannabis flower, eight grams of a cannabis concentrate, or an edible cannabis product infused with 100 milligrams of tetrahydrocannabinol.

(e) This prohibition does not apply to any fee charged by a licensed cannabis event organizer to a cannabis business for participation in a cannabis event.

Subd. 12. **Exclusive contracts.** A cannabis business may not directly or indirectly make an agreement with a cannabis retailer that binds the cannabis retailer to purchase the products of one cannabis cultivator or cannabis manufacturer to the exclusion of the products of other cannabis cultivators or cannabis manufacturers. A cannabis retailer who is a party to a violation of this section or who receives the benefits of a violation is equally guilty of a violation.

Subd. 13. **Customer privacy.** A cannabis business must not share data on retail or wholesale customers with any federal agency, federal department, or federal entity unless specifically ordered by a state or federal court.

Sec. 23. **[342.21] CANNABIS CULTIVATOR LICENSING AND OPERATIONS.**

Subdivision 1. **Authorized actions.** A cannabis cultivator license entitles the license holder to grow cannabis plants within the approved amount of space from seed or immature plant to mature plant, harvest cannabis flower from a mature plant, package and label cannabis flower for sale to other cannabis businesses, transport cannabis flower to a cannabis manufacturer located on the same premises, and perform other actions approved by the office.

Subd. 2. **Size limitations.** A cannabis cultivator may cultivate up to 15,000 square feet of plant canopy unless the office, by rule, increases that limit. The office may, by rule, increase the limit on plant canopy to no more than 30,000 cubic feet if the office determines that expansion is consistent with the goals identified in section 342.02, subdivision 1. A cannabis cultivator may not operate multiple tiers of cultivation unless authorized by the office.

Subd. 3. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis cultivator license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed size and layout of the cultivation facility; plans for wastewater and waste disposal for the cultivation facility; plans for providing electricity, water, and other utilities necessary for the normal operation of the cultivation facility; and plans for compliance with the applicable building code and federal and state environmental and workplace safety requirements;

(2) a cultivation plan demonstrating the proposed size and layout of the cultivation facility that will be used exclusively for cultivation including the total amount of plant canopy; and

(3) evidence that the business will comply with the applicable operation requirements for the license being sought.

Subd. 4. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis cultivator license may also hold a cannabis manufacturing license, medical cannabis cultivator license, medical cannabis producer license, license to grow industrial hemp, and cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis cultivator license may own or operate any other cannabis business or hemp business. This prohibition does not prevent the transportation of cannabis flower from a cannabis cultivator to a cannabis manufacturer licensed to the same person, cooperative, or business and located on the same premises.

(c) The office by rule may limit the number of cannabis cultivator licenses a person, cooperative, or business may hold.

(d) For purposes of this subdivision, a restriction on the number or type of license a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Subd. 5. **Cultivation operations.** A cannabis cultivator must comply with the requirements in section 342.25.

Subd. 6. **Limitations on health care practitioners.** A health care practitioner who certifies qualifying medical conditions for patients is prohibited from:

(1) holding a direct or indirect economic interest in a cannabis cultivator;

(2) serving as a cooperative member, director, manager, general partner, or employee of a cannabis cultivator; or

(3) advertising with a cannabis cultivator in any way.

Subd. 7. **Remuneration.** A cannabis cultivator is prohibited from:

(1) accepting or soliciting any form of remuneration from a health care practitioner who certifies qualifying medical conditions for patients; or

(2) offering any form of remuneration to a health care practitioner who certifies qualifying medical conditions for patients.

Sec. 24. **[342.22] RETAILERS; LOCAL REGISTRATION AND ENFORCEMENT.**

Subdivision 1. **Registration required.** Before making retail sales to customers or patients, a cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness with a retail operations endorsement, cannabis retailer, medical cannabis retailer, or lower-potency hemp edible retailer must register with the city, town, or county in which the retail establishment is located. A county may issue a registration in cases where a city or town has provided consent for the county to issue the registration for the jurisdiction.

Subd. 2. **Registration fee.** (a) A local unit of government may impose an initial retail registration fee of up to half the amount of the applicable initial license fee under section 342.11. The local unit of government may also impose a renewal retail registration fee of up to half the amount of the applicable renewal license fee under section 342.11. The initial license fee shall include the fee for initial registration and the first annual renewal. Any renewal fee imposed by the local unit of government shall be charged at the time of the second renewal and each subsequent annual renewal thereafter.

(b) The local unit of government may not charge an application fee.

(c) A cannabis business with a cannabis retailer license and a medical cannabis retailer license for the same location may only be charged a single registration fee.

(d) Registration fees are nonrefundable.

Subd. 3. **Issuance of registration.** (a) A local unit of government shall issue a retail registration to a cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness with a retail operations endorsement, cannabis retailer, medical cannabis retailer, or lower-potency hemp edible retailer that:

(1) has a valid license issued by the office;

(2) has paid the registration fee or renewal fee pursuant to subdivision 2;

(3) is found to be in compliance with the requirements of this chapter at any preliminary compliance check that the local unit of government performs; and

(4) if applicable, is current on all property taxes and assessments at the location where the retail establishment is located.

(b) Before issuing a retail registration, the local unit of government may conduct a preliminary compliance check to ensure that the cannabis business or hemp business is in compliance with the applicable operation requirements and the limits on the types of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products that may be sold.

(c) A local unit of government shall renew the retail registration of a cannabis business or hemp business when the office renews the license of the cannabis business or hemp business.

(d) A retail registration issued under this section may not be transferred.

Subd. 4. **Compliance checks.** (a) A local unit of government shall conduct compliance checks of every cannabis business and hemp business with a retail registration issued by the local unit of government. The checks shall assess compliance with age verification requirements, the applicable operation requirements, and the applicable limits on the types of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products being sold.

(b) The local unit of government must conduct unannounced age verification compliance checks at least once each calendar year. Age verification compliance checks must involve persons at least 17 years of age, but under the age of 21, who, with the prior written consent of a parent or guardian if the person is under the age of 18, attempt to purchase adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products under the direct supervision of a law enforcement officer or an employee of the local unit of government.

(c) Checks to ensure compliance with the applicable operation requirements and the limits on the types of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products that may be sold must be performed at least once each calendar year and may be performed by a law enforcement officer or an employee of the local unit of government.

Subd. 5. **Registration suspension and cancellation; notice to office; penalties.** (a) If a local unit of government determines that a cannabis business or hemp business with a retail registration issued by the local unit of government is not operating in compliance with the requirements of this chapter or that the operation of the business poses an immediate threat to the health or safety of the public, the local unit of government may suspend the retail registration of the cannabis business or

hemp business. The local unit of government must immediately notify the office of the suspension and shall include a description of the grounds for the suspension.

(b) The office shall review the retail registration suspension and may order reinstatement of the retail registration or take any action described in section 342.17 or 342.18.

(c) The retail registration suspension must be for up to 30 days unless the office suspends the license and operating privilege of the cannabis business or hemp business for a longer period or revokes the license.

(d) The local unit of government may reinstate the retail registration if the local unit of government determines that any violation has been cured. The local unit of government must reinstate the retail registration if the office orders reinstatement.

(e) No cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness with a retail operations endorsement, cannabis retailer, medical cannabis retailer, or lower-potency hemp edible retailer may make any sale to a customer or patient without a valid retail registration. A local unit of government may impose a civil penalty of up to \$2,000 for each violation of this paragraph.

Sec. 25. [342.23] CANNABIS BUSINESSES AND HEMP BUSINESSES; GENERAL OPERATIONAL REQUIREMENTS.

Subdivision 1. **Records.** (a) Cannabis businesses and hemp businesses must retain financial records for the current and previous tax year at the primary business location and must make those records available for inspection by the office at any time during regular business hours.

(b) When applicable, a cannabis business or hemp business must maintain financial records for the previous ten tax years and must make those records available for inspection within one business day of receiving a request for inspection by the office.

(c) The office may require a cannabis business or hemp business to submit to an audit of its business records. The office may select or approve the auditor and the cannabis business or hemp business must provide the auditor with access to all business records. The cost of the audit must be paid by the cannabis business or hemp business.

Subd. 2. **Diversity report.** Cannabis businesses and hemp businesses shall provide an annual report on the status of diversity in the business ownership, management, and employment and in services for which the business contracts.

Subd. 3. **Disposal; loss documentation.** (a) Cannabis businesses and hemp businesses must dispose of cannabis plants, cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products that are damaged, have a broken seal, have been contaminated, or have not been sold by the expiration date on the label.

(b) Disposal must be conducted in a manner approved by the office.

(c) Disposal of any cannabis plants, cannabis flower, cannabis products, synthetically derived cannabinoids, and hemp-derived consumer products that are required to be entered into the statewide monitoring system must be documented in the statewide monitoring system.

(d) Loss or theft of any cannabis plants, cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products that are required to be entered into the statewide monitoring system must be reported to local law enforcement and a business must log any such loss or theft in the statewide monitoring system as soon as the loss or theft is discovered.

Subd. 4. **Sale of approved products.** Cannabis businesses and hemp businesses may only sell cannabis plants, cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products that are a type approved by the office and that comply with this chapter and rules adopted pursuant to this chapter regarding the testing, packaging, and labeling of cannabis plants, cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products.

Subd. 5. **Financial relationship.** (a) Except for the lawful sale of cannabis plants, cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products in the ordinary course of business and as otherwise provided in this subdivision, no cannabis business or hemp business may offer, give, accept, receive, or borrow money or anything else of value or accept or receive credit from any other cannabis business. This prohibition applies to offering or receiving a benefit in exchange for preferential placement by a retailer, including preferential placement on the retailer's shelves, display cases, or website. This prohibition applies to every cooperative member or every director, manager, and general partner of a cannabis business or hemp business.

(b) This prohibition does not apply to merchandising credit in the ordinary course of business for a period not to exceed 30 days.

(c) This prohibition does not apply to free samples of useable cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products packaged in a sample jar protected by a plastic or metal mesh screen to allow customers to smell the cannabis flower, cannabis product, lower-potency hemp edible, or hemp-derived consumer product before purchase. A sample jar may not contain more than eight grams of useable cannabis flower, eight grams of a cannabis concentrate, an edible cannabis product infused with 100 milligrams of tetrahydrocannabinol, a lower-potency hemp edible infused with 50 milligrams of tetrahydrocannabinol, or a hemp-derived consumer product with a total weight of more than eight grams.

(d) This prohibition does not apply to free samples of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products provided to a retailer or cannabis wholesaler for the purposes of quality control and to allow retailers to determine whether to offer a product for sale. A sample provided for these purposes may not contain more than eight grams of useable cannabis flower, eight grams of a cannabis concentrate, an edible cannabis product infused with 100 milligrams of tetrahydrocannabinol, a lower-potency hemp edible infused with 50 milligrams of tetrahydrocannabinol, or a hemp-derived consumer product with a total weight of more than eight grams.

(e) This prohibition does not apply to any fee charged by a licensed cannabis event organizer to a cannabis business or hemp business for participation in a cannabis event.

Subd. 6. **Customer privacy.** Cannabis businesses and hemp businesses must not share data on retail or wholesale customers with any federal agency, federal department, or federal entity unless specifically ordered by a state or federal court.

Sec. 26. **[342.24] CANNABIS MANUFACTURER LICENSING AND OPERATIONS.**

Subdivision 1. **Authorized actions.** A cannabis manufacturer license, consistent with the specific license endorsement or endorsements, entitles the license holder to:

(1) purchase cannabis flower, cannabis products, hemp plant parts, hemp concentrate, and synthetically derived cannabinoids from a cannabis microbusiness, a cannabis mezzobusiness, a cannabis cultivator, another cannabis manufacturer, or a cannabis wholesaler;

(2) purchase hemp plant parts and propagules from an industrial hemp grower licensed under chapter 18K;

(3) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

(4) accept cannabis flower from unlicensed persons who are at least 21 years of age provided that the cannabis manufacturer does not accept more than two ounces from an individual on a single occasion;

(5) make cannabis concentrate;

(6) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

(7) manufacture synthetically derived cannabinoids;

(8) manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

(9) package and label adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for customers;

(10) sell cannabis concentrate, hemp concentrate, synthetically derived cannabinoids, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to other cannabis businesses; and

(11) perform other actions approved by the office.

Subd. 2. **Size limitations.** The office shall, by rule, establish a limit on the manufacturing of adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products a cannabis manufacturer may perform. The limit must be equivalent to the amount of cannabis flower that can be harvested from a facility with a plant canopy of 15,000 square feet in a year, but may be increased to the amount that can be harvested from a facility with up to 30,000 cubic feet of plant canopy if the office expands the allowable area of cultivation under section 342.21, subdivision 2.

Subd. 3. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis manufacturer license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; plans for wastewater and waste disposal for the manufacturing facility; plans for providing electricity, water, and other utilities necessary for the normal operation of the manufacturing facility; and plans for compliance with applicable building code and federal and state environmental and workplace safety requirements; and

(2) evidence that the business will comply with the applicable operation requirements for the endorsement being sought.

Subd. 4. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis manufacturer license may also hold a cannabis cultivator license, a medical cannabis cultivator license, a medical cannabis processor license, and a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis manufacturer license may own or operate any other cannabis business or hemp business. This prohibition does not prevent transportation of cannabis flower from a cannabis cultivator to a cannabis manufacturer licensed to the same person, cooperative, or business and located on the same premises.

(c) The office by rule may limit the number of cannabis manufacturer licenses that a person or business may hold.

(d) For purposes of this subdivision, a restriction on the number or type of license that a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Subd. 5. **Limitations on health care practitioners.** A health care practitioner who certifies qualifying medical conditions for patients is prohibited from:

(1) holding a direct or indirect economic interest in a cannabis manufacturer;

(2) serving as a cooperative member, director, manager, general partner, or employee of a cannabis manufacturer; or

(3) advertising with a cannabis manufacturer in any way.

Subd. 6. **Remuneration.** A cannabis manufacturer is prohibited from:

(1) accepting or soliciting any form of remuneration from a health care practitioner who certifies qualifying medical conditions for patients; or

(2) offering any form of remuneration to a health care practitioner who certifies qualifying medical conditions for patients.

Subd. 7. **Cultivation operations.** A cannabis manufacturer must comply with the requirements in section 342.25.

Sec. 27. **[342.25] CULTIVATION OF CANNABIS; GENERAL REQUIREMENTS.**

Subdivision 1. Applicability. Every cannabis business with a license or endorsement authorizing the cultivation of cannabis must comply with the requirements of this section.

Subd. 2. Cultivation records. A business licensed or authorized to cultivate cannabis must prepare a cultivation record for each batch of cannabis plants and cannabis flower in the form required by the office and must maintain each record for at least five years. The cultivation record must include the quantity and timing, where applicable, of each pesticide, fertilizer, soil amendment, or plant amendment used to cultivate the batch, as well as any other information required by the office in rule. The cannabis business must present cultivation records to the office, the commissioner of agriculture, or the commissioner of health upon request.

Subd. 3. Agricultural chemicals and other inputs. A business licensed or authorized to cultivate cannabis is subject to rules promulgated by the office in consultation with the commissioner of agriculture, subject to subdivision 5, governing the use of pesticides, fertilizers, soil amendments, plant amendments, and other inputs to cultivate cannabis.

Subd. 4. Cultivation plan. A business licensed or authorized to cultivate cannabis must prepare, maintain, and execute an operating plan and a cultivation plan as directed by the office in rule, which must include but is not limited to:

(1) water usage;

(2) recycling;

(3) solid waste disposal; and

(4) a pest management protocol that incorporates integrated pest management principles to control or prevent the introduction of pests to the cultivation site.

Subd. 5. Agricultural chemicals and other inputs; pollinator protection. (a) A business licensed or authorized to cultivate cannabis must comply with chapters 18B, 18C, 18D, and any other pesticide, fertilizer, soil amendment, and plant amendment laws and rules enforced by the commissioner of agriculture.

(b) A business licensed or authorized to cultivate cannabis must not apply pesticides when pollinators are present or allow pesticides to drift to flowering plants that are attractive to pollinators.

Subd. 6. Adulteration prohibited. A business licensed or authorized to cultivate cannabis must not treat or otherwise adulterate cannabis plants or cannabis flower with any substance or compound that has the effect or intent of altering the color, appearance, weight, potency, or odor of the cannabis.

Subd. 7. Indoor or outdoor cultivation authorized; security. A business licensed or authorized to cultivate cannabis may cultivate cannabis plants indoors or outdoors, subject to the security, fencing, lighting, and any other requirements imposed by the office in rule.

Subd. 8. Genetically engineered organism release permit. The commissioner of agriculture may issue a genetically engineered agriculturally related organism permit under chapter 18F for cannabis seed or cannabis plants.

Subd. 9. **Exception.** Nothing in this section applies to the cultivation of hemp plants.

Sec. 28. **[342.26] MANUFACTURE OF CANNABIS PRODUCTS; GENERAL REQUIREMENTS.**

Subdivision 1. **Applicability.** Every cannabis business with a license or endorsement authorizing the creation of cannabis concentrate and manufacture of cannabis products and hemp-derived consumer products for public consumption must comply with the requirements of this section.

Subd. 2. **All manufacturer operations.** (a) Cannabis manufacturing must take place in an enclosed, locked facility that is used exclusively for the manufacture of cannabis products, creation of hemp concentrate, creation of synthetically derived cannabinoids, creation of lower-potency hemp edibles, or creation of hemp-derived consumer products except that a business that also holds a cannabis cultivator license may operate in a facility that shares general office space, bathrooms, entryways, and walkways.

(b) Cannabis manufacturing must take place on equipment that is used exclusively for the manufacture of cannabis products, creation of hemp concentrate, creation of synthetically derived cannabinoids, creation of lower-potency hemp edibles, or creation of hemp-derived consumer products.

(c) A business licensed or authorized to manufacture cannabis products must comply with all applicable packaging, labeling, and health and safety requirements.

Subd. 3. **Extraction and concentration.** (a) A business licensed or authorized to manufacture cannabis products that creates cannabis concentrate, hemp concentrate, or synthetically derived cannabinoids must obtain an endorsement from the office.

(b) A business licensed or authorized to manufacture cannabis products must inform the office of all methods of extraction and concentration that the manufacturer intends to use and identify the volatile chemicals, if any, that will be involved in the creation of cannabis concentrate or hemp concentrate. A cannabis manufacturer may not use a method of extraction and concentration or a volatile chemical without approval by the office.

(c) A business licensed or authorized to manufacture cannabis products must inform the office of all methods of conversion that the manufacturer will use, including any specific catalysts that the manufacturer will employ, to create synthetically derived cannabinoids and the molecular nomenclature of all cannabinoids or other chemical compounds that the manufacturer will create. A business licensed or authorized to manufacture cannabis products may not use a method of conversion or a catalyst without approval by the office.

(d) A business licensed or authorized to manufacture cannabis products must obtain a certification from an independent third-party industrial hygienist or professional engineer approving:

(1) all electrical, gas, fire suppression, and exhaust systems; and

(2) the plan for safe storage and disposal of hazardous substances, including but not limited to any volatile chemicals.

(e) A business licensed or authorized to manufacture cannabis products that manufactures cannabis concentrate from cannabis flower received from an unlicensed person who is at least 21 years of age must comply with all health and safety requirements established by the office. At a minimum, the office shall require the manufacturer to:

(1) store the cannabis flower in an area that is segregated from cannabis flower and hemp plant parts received from a licensed cannabis business;

(2) perform the extraction and concentration on equipment that is used exclusively for extraction or concentration of cannabis flower received from unlicensed individuals;

(3) store any cannabis concentrate in an area that is segregated from cannabis concentrate, hemp concentrate, or synthetically derived cannabinoids derived or manufactured from cannabis flower or hemp plant parts received from a licensed cannabis business; and

(4) provide any cannabis concentrate only to the person who provided the cannabis flower.

(f) Upon the sale of cannabis concentrate, hemp concentrate, or synthetically derived cannabinoids to any person, cooperative, or business, a business licensed or authorized to manufacture cannabis products must provide a statement to the buyer that discloses the method of extraction and concentration or conversion used and any solvents, gases, or catalysts, including but not limited to any volatile chemicals, involved in that method.

Subd. 4. **Production of consumer products.** (a) A business licensed or authorized to manufacture cannabis products that produces edible cannabis products or lower-potency hemp edibles must obtain an edible cannabinoid product handler endorsement from the office.

(b) A business licensed or authorized to manufacture cannabis products must obtain an endorsement from the office to produce:

(1) cannabis products other than edible cannabis products; or

(2) hemp-derived consumer products other than lower-potency hemp edibles.

(c) All areas within the licensed premises of a business licensed or authorized to manufacture cannabis products producing cannabis products, lower-potency hemp edibles, or hemp-derived consumer products must meet the sanitary standards specified in rules adopted by the office.

(d) A business licensed or authorized to manufacture cannabis products may only add chemicals or compounds approved by the office to cannabis concentrate, hemp concentrate, or synthetically derived cannabinoids.

(e) Upon the sale of any cannabis product, lower-potency hemp edible, or hemp-derived consumer product to a cannabis business or hemp business, a business licensed or authorized to manufacture cannabis products must provide a statement to the buyer that discloses the product's ingredients, including but not limited to any chemicals or compounds and any major food allergens declared by name.

(f) A business licensed or authorized to manufacture cannabis products shall not add any cannabis flower, cannabis concentrate, synthetically derived cannabinoid, hemp plant part, or hemp concentrate

to a product where the manufacturer of the product holds a trademark to the product's name, except that a business licensed or authorized to manufacture cannabis products may use a trademarked food product if the manufacturer uses the product as a component or as part of a recipe and where the business licensed or authorized to manufacture cannabis products does not state or advertise to the customer that the final retail cannabis product, lower-potency hemp edible, or hemp-derived consumer product contains a trademarked food product.

Subd. 5. **Exception.** Nothing in this section applies to the operations of a lower-potency hemp edible manufacturer.

Sec. 29. **[342.27] ADULT-USE CANNABIS RETAILER LICENSING AND OPERATIONS.**

Subdivision 1. **Authorized actions.** An adult-use cannabis retailer license entitles the license holder to:

(1) purchase immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, and cannabis wholesalers;

(2) purchase lower-potency hemp edibles from a licensed lower-potency hemp edible manufacturer;

(3) sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to customers; and

(4) perform other actions approved by the office.

Subd. 2. **Size limitations.** A cannabis retailer may operate up to five retail locations.

Subd. 3. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis retail license must submit the following information in a form approved by the office:

(1) a list of every retail license held by the applicant and, if the applicant is a business, every retail license held, either as an individual or as part of another business, by each officer, director, manager, and general partner of the cannabis business;

(2) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; policies to avoid sales to individuals who are under 21 years of age; identification of a restricted area for storage; and plans to prevent the visibility of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to individuals outside the retail location; and

(3) evidence that the business will comply with the applicable operation requirements for the license being sought.

Subd. 4. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis retailer license may also hold a cannabis delivery service license, a medical cannabis retailer license, and a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis retailer license may own or operate any other cannabis business or hemp business.

(c) No person, cooperative, or business may hold a license to own or operate more than one cannabis retail business in one city and three retail businesses in one county.

(d) The office by rule may limit the number of cannabis retailer licenses a person, cooperative, or business may hold.

(e) For purposes of this subdivision, a restriction on the number or type of license a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Subd. 5. **Municipal or county cannabis store.** A city or county may establish, own, and operate a municipal cannabis store subject to the restrictions in this chapter.

Subd. 6. **Limitations on health care practitioners.** A health care practitioner who certifies qualifying medical conditions for patients is prohibited from:

(1) holding a direct or indirect economic interest in a cannabis retailer;

(2) serving as a cooperative member, director, manager, general partner, or employee of a cannabis retailer; or

(3) advertising with a cannabis retailer in any way.

Subd. 7. **Remuneration.** A cannabis retailer is prohibited from:

(1) accepting or soliciting any form of remuneration from a health care practitioner who certifies qualifying medical conditions for patients; or

(2) offering any form of remuneration to a health care practitioner who certifies qualifying medical conditions for patients.

Sec. 30. [342.28] RETAIL SALE OF CANNABIS FLOWER AND PRODUCTS; GENERAL REQUIREMENTS.

Subdivision 1. **Applicability.** Every cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products must comply with the requirements of this section.

Subd. 2. **Sale of cannabis flower and cannabis products.** (a) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may only sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to individuals who are at least 21 years of age.

(b) A cannabis business with a license or endorsement authorizing the retail sale of adult-use cannabis flower or adult-use cannabis products may sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products that:

- (1) are obtained from a business licensed under this chapter; and
- (2) meet all applicable packaging and labeling requirements.

(c) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may sell up to two ounces of adult-use cannabis flower or hemp-derived consumer products consisting primarily of hemp plant parts, eight grams of adult-use cannabis concentrate or hemp-derived consumer products consisting primarily of hemp concentrate or synthetically derived cannabinoids, and edible cannabis products and lower-potency hemp edibles infused with 800 milligrams of tetrahydrocannabinol during a single transaction to a customer.

(d) Edible cannabis products and hemp-derived consumer products intended to be eaten may not include more than 20 milligrams of tetrahydrocannabinol per serving and a single package may not include more than a total of 200 milligrams of tetrahydrocannabinol. A package may contain multiple servings of 20 milligrams of tetrahydrocannabinol provided that each serving is indicated by scoring, wrapping, or other indicators designating the individual serving size.

(e) Edible cannabis products and hemp-derived consumer products intended to be consumed as beverages may not include more than 20 milligrams of tetrahydrocannabinol per serving. A single beverage container may not contain more than two servings.

Subd. 3. Sale of other products. (a) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may sell cannabis paraphernalia, including but not limited to childproof packaging containers and other devices designed to ensure the safe storage and monitoring of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products in the home to prevent access by individuals under 21 years of age.

(b) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may sell hemp-derived topical products.

(c) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may sell the following products that do not contain cannabis flower, cannabis concentrate, hemp concentrate, synthetically derived cannabinoids, or tetrahydrocannabinol:

- (1) drinks that do not contain alcohol and are packaged in sealed containers labeled for retail sale;
- (2) books and videos on the cultivation and use of cannabis flower and products that contain cannabinoids;
- (3) magazines and other publications published primarily for information and education on cannabis plants, cannabis flower, and products that contain cannabinoids;

- (4) multiple-use bags designed to carry purchased items;
- (5) clothing marked with the specific name, brand, or identifying logo of the retailer; and
- (6) hemp fiber products and products that contain hemp grain.

Subd. 4. **Age verification.** (a) Prior to initiating a sale, an employee of a cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products must verify that the customer is at least 21 years of age.

(b) Proof of age may be established only by one of the following:

(1) a valid driver's license or identification card issued by Minnesota, another state, a United States territory, or a province of Canada and including the photograph and date of birth of the licensed person;

(2) a valid Tribal identification card as defined in section 171.072, paragraph (b);

(3) a valid passport issued by the United States;

(4) a valid instructional permit issued under section 171.05 to a person of legal age to purchase adult-use cannabis flower or adult-use cannabis products, which includes a photograph and the date of birth of the person issued the permit; or

(5) in the case of a foreign national, a valid passport.

(c) A retailer may seize a form of identification listed under paragraph (b) if the cannabis retailer has reasonable grounds to believe that the form of identification has been altered or falsified or is being used to violate any law. A retailer that seizes a form of identification as authorized under this paragraph must deliver it to a law enforcement agency within 24 hours of seizing it.

Subd. 5. **Display of cannabis flower and products.** (a) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products must designate a retail area where customers are permitted. The retail area shall include the portion of the premises where samples of cannabis flower and cannabis products available for sale are displayed. All other cannabis flower and cannabis products must be stored in the secure storage area.

(b) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may display one sample of each type of cannabis flower or cannabis product available for sale. Samples of cannabis flower and cannabis products must be stored in a sample jar or display case and be accompanied by a label or notice containing the information required to be affixed to the packaging or container containing cannabis flower and cannabis products sold to customers. A sample may not consist of more than eight grams of adult-use cannabis flower or adult-use cannabis concentrate or an edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol. A cannabis retailer may allow customers to smell the cannabis flower or cannabis product before purchase.

(c) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may not sell cannabis flower or cannabis products used as a sample for

display. If the retailer uses display samples of lower-potency hemp edibles or hemp-derived consumer products, the retailer may not sell the product used as a sample for display.

Subd. 6. **Posting of notices.** A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products must post all notices as required by the office, including but not limited to:

(1) information about any product recall;

(2) a statement that operating a motor vehicle under the influence of intoxicating cannabinoids is illegal; and

(3) a statement that cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products are only intended for consumption by individuals who are at least 21 years of age.

Subd. 7. **Hours of operation.** (a) Except as provided by paragraph (b), a cannabis retailer may not sell cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products:

(1) on Sundays, except between the hours of 11:00 a.m. and 6:00 p.m.;

(2) before 8:00 a.m. or after 10:00 p.m. on Monday through Saturday;

(3) on Thanksgiving Day;

(4) on Christmas Day, December 25; or

(5) after 8:00 p.m. on Christmas Eve, December 24.

(b) A city or county may adopt an ordinance to permit sales between 10:00 p.m. and 8:00 a.m. on the days of Monday through Saturday or Sunday before 11:00 a.m. or after 6:00 p.m.

(c) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may not be open to the public or sell any other products at times when it is prohibited from selling cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products.

Subd. 8. **Building conditions.** (a) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products shall maintain compliance with state and local building, fire, and zoning requirements or regulations.

(b) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products shall ensure that the licensed premises is maintained in a clean and sanitary condition, free from infestation by insects, rodents, or other pests.

Subd. 9. **Security.** A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products shall maintain compliance with security requirements established by the office, including but not limited to requirements for maintaining video surveillance

records, use of specific locking mechanisms, establishment of secure entries, and the number of employees working at all times.

Subd. 10. **Lighting.** A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products must keep all lighting outside and inside the dispensary in good working order and wattage sufficient for security cameras.

Subd. 11. **Deliveries.** A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may only accept deliveries of cannabis flower, cannabis products, and hemp-derived consumer products into a limited access area. Deliveries may not be accepted through the public access areas unless otherwise approved by the office.

Subd. 12. **Prohibitions.** A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products shall not:

(1) sell cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a person who is visibly intoxicated;

(2) knowingly sell more cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products than a customer is legally permitted to possess;

(3) give away immature cannabis plants or seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(4) operate a drive-through window;

(5) allow for the dispensing of cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in vending machines; or

(6) sell cannabis plants, cannabis flower, or cannabis products if the cannabis retailer knows that any required security or statewide monitoring systems are not operational.

Subd. 13. **Adult-use and medical cannabis; co-location.** (a) A cannabis business with a license or endorsement authorizing the retail sale of adult-use cannabis flower or adult-use cannabis products that is also a licensed medical cannabis retailer may sell medical cannabis flower and medical cannabinoid products on a portion of its premises.

(b) The portion of the premises in which medical cannabis flower and medical cannabinoid products are sold must be definite and distinct from all other areas of the cannabis retailer and must provide an appropriate space for a pharmacist employee of the medical cannabis retailer to consult with a patient to determine the proper type of medical cannabis flower and medical cannabinoid products and proper dosage for the patient.

Subd. 14. **Exception.** Nothing in this section applies to the operations of a lower-potency hemp edible retailer.

Sec. 31. **[342.29] CANNABIS MICROBUSINESS LICENSING AND OPERATIONS.**

Subdivision 1. **Authorized actions.** A cannabis microbusiness license, consistent with the specific license endorsement or endorsements, entitles the license holder to perform any or all of the following within the limits established by this section:

(1) grow cannabis plants from seed or immature plant to mature plant and harvest cannabis flower from mature plants;

(2) make cannabis concentrate;

(3) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

(4) manufacture synthetically derived cannabinoids;

(5) manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

(6) purchase immature cannabis plants and seedlings and cannabis flower from another cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler;

(7) purchase hemp plant parts and propagules from an industrial hemp grower licensed under chapter 18K;

(8) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

(9) purchase cannabis concentrate, hemp concentrate, and synthetically derived cannabinoids from another cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler for use in manufacturing adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(10) package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;

(11) sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to other cannabis businesses and to customers;

(12) operate an establishment that permits on-site consumption of edible cannabis products and lower-potency hemp edibles; and

(13) perform other actions approved by the office.

Subd. 2. **Size limitations.** (a) A cannabis microbusiness that cultivates cannabis may cultivate up to 2,000 square feet of plant canopy unless the office, by rule, increases that limit. The office may, by rule, increase the limit on plant canopy to no more than 5,000 square feet if the office determines that expansion is consistent with the goals identified in section 342.02, subdivision 1. A cannabis microbusiness may not operate multiple tiers of cultivation.

(b) The office shall, by rule, establish a limit on the manufacturing of cannabis products, lower-potency hemp edibles, or hemp-derived consumer products that a cannabis microbusiness

manufacturing such products may perform. The limit must be equivalent to the amount of cannabis flower that can be harvested from a facility with a plant canopy of 2,000 square feet in a year, but may be increased to the amount that can be harvested from a facility with up to 5,000 square feet of plant canopy if the office expands the allowable area of cultivation under paragraph (a).

(c) A cannabis microbusiness with the appropriate endorsement may operate one retail location.

Subd. 3. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis microbusiness license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; plans for wastewater and waste disposal for any cultivation or manufacturing activities; plans for providing electricity, water, and other utilities necessary for the normal operation of any cultivation or manufacturing activities; plans for compliance with applicable building codes and federal and state environmental and workplace safety requirements and policies; and plans to avoid sales to unlicensed cannabis businesses and individuals under 21 years of age;

(2) if the applicant is seeking an endorsement to cultivate cannabis plants and harvest cannabis flower, a cultivation plan demonstrating the proposed size and layout of the cultivation facility that will be used exclusively for cultivation including the total amount of plant canopy;

(3) if the applicant is seeking an endorsement to create cannabis concentrate, hemp concentrate, or synthetically derived cannabinoids, information identifying all methods of extraction, concentration, or conversion that the applicant intends to use and the volatile chemicals and catalysts, if any, that will be involved in extraction, concentration, or creation; and

(4) evidence that the applicant will comply with the applicable operation requirements for the license being sought.

Subd. 4. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis microbusiness license may also hold a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis microbusiness license may own or operate any other cannabis business or hemp business or hold more than one cannabis microbusiness license.

(c) For purposes of this subdivision, a restriction on the number or type of license that a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Subd. 5. **Cultivation endorsement.** A cannabis microbusiness that cultivates cannabis plants and harvests cannabis flower must comply with the requirements in section 342.25.

Subd. 6. **Extraction and concentration endorsement.** A cannabis microbusiness that creates cannabis concentrate must comply with the requirements in section 342.26, subdivisions 2 and 3.

Subd. 7. **Production of customer products endorsement.** A cannabis microbusiness that manufactures edible cannabis products, lower-potency hemp products, or hemp-derived consumer products must comply with the requirements in section 342.26, subdivisions 2 and 4.

Subd. 8. **Retail operations endorsement.** A cannabis microbusiness that operates a retail location must comply with the requirements in section 342.27.

Subd. 9. **On-site consumption endorsement.** (a) A cannabis microbusiness may permit on-site consumption of edible cannabis products and lower-potency hemp edibles on a portion of its premises.

(b) The portion of the premises in which on-site consumption is permitted must be definite and distinct from all other areas of the microbusiness and must be accessed through a distinct entrance.

(c) Edible cannabis products and lower-potency hemp edibles sold for on-site consumption must comply with this chapter and rules adopted pursuant to this chapter regarding the testing, packaging, and labeling of cannabis products.

(d) Edible cannabinoid products and lower-potency hemp edibles sold for on-site consumption must be served in the required packaging, but may be removed from the products' packaging by customers and consumed on site.

(e) Food and beverages not otherwise prohibited by this subdivision may be prepared and sold on site provided that the cannabis microbusiness complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(f) A cannabis microbusiness shall ensure that the display and consumption of any edible cannabis product or lower-potency hemp edible is not visible from outside of the licensed premises of the business.

(g) A cannabis microbusiness may offer recorded or live entertainment provided that the cannabis microbusiness complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(h) A cannabis microbusiness may not:

(1) sell an edible cannabis product or a lower-potency hemp edible to an individual who is under 21 years of age;

(2) permit an individual who is under 21 years of age to enter the premises;

(3) sell more than one single serving of an edible cannabis product or a lower-potency hemp edible to a customer;

(4) sell an edible cannabis product or a lower-potency hemp edible to a person who is visibly intoxicated;

(5) sell or allow the sale or consumption of alcohol or tobacco on the premises;

(6) sell products that are intended to be eaten or consumed as a drink, other than packaged and labeled edible cannabis products and lower-potency hemp edibles, and that contain cannabis flower

or hemp plant parts or are infused with cannabis concentrate, hemp concentrate, or synthetically derived cannabinoids;

(7) permit edible cannabis products or lower-potency hemp edibles sold in the portion of the area designated for on-site consumption to be removed from that area;

(8) permit adult-use cannabis flower, adult-use cannabis products, hemp-derived consumer products, or tobacco to be consumed through smoking or a vaporized delivery method on the premises; or

(9) distribute or allow free samples of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

Sec. 32. **[342.30] CANNABIS WHOLESALER LICENSING.**

Subdivision 1. **Authorized actions.** A cannabis wholesaler license entitles the license holder to:

(1) purchase immature cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, and cannabis microbusinesses;

(2) purchase hemp plant parts and propagules from industrial hemp growers licensed under chapter 18K;

(3) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

(4) sell immature cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to cannabis microbusinesses, cannabis mezzobusinesses, cannabis manufacturers, and cannabis retailers;

(5) sell lower-potency hemp edibles to lower-potency hemp edible retailers;

(6) import hemp-derived consumer products and lower-potency hemp edibles that contain hemp concentrate or synthetically derived cannabinoids that are derived from hemp plants or hemp plant parts; and

(7) perform other actions approved by the office.

Subd. 2. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis wholesaler license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed layout of the facility including a diagram of ventilation and filtration systems and policies to avoid sales to unlicensed cannabis businesses; and

(2) evidence that the business will comply with the applicable operation requirements for the license being sought.

Subd. 3. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis wholesaler license may also hold a cannabis transporter license, a cannabis delivery service license, and a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis wholesaler license may own or operate any other cannabis business or hemp business.

(c) The office by rule may limit the number of cannabis wholesaler licenses a person or business may hold.

(d) For purposes of this subdivision, a restriction on the number or type of license a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Sec. 33. [342.31] CANNABIS MEZZOBUSINESS LICENSING AND OPERATIONS.

Subdivision 1. **Authorized actions.** A cannabis mezzobusiness license, consistent with the specific license endorsement or endorsements, entitles the license holder to perform any or all of the following within the limits established by this section:

(1) grow cannabis plants from seed or immature plant to mature plant and harvest cannabis flower from mature plants;

(2) make cannabis concentrate;

(3) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

(4) manufacture synthetically derived cannabinoids;

(5) manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

(6) purchase immature cannabis plants and seedlings and cannabis flower from a cannabis microbusiness, another cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler;

(7) purchase cannabis concentrate, hemp concentrate, and synthetically derived cannabinoids from a cannabis microbusiness, another cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler for use in manufacturing adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(8) purchase hemp plant parts and propagules from a licensed hemp grower licensed under chapter 18K;

(9) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

(10) package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;

(11) sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to other cannabis businesses and to customers; and

(12) perform other actions approved by the office.

Subd. 2. **Size limitations.** (a) A cannabis mezzobusiness that cultivates cannabis may cultivate up to 5,000 square feet of plant canopy unless the office, by rule, increases that limit. The office may, by rule, increase the limit on plant canopy to no more than 15,000 cubic feet if the office determines that expansion is consistent with the goals identified in section 342.02, subdivision 1. A cannabis mezzobusiness may not operate multiple tiers of cultivation unless authorized by the office.

(b) The office shall, by rule, establish a limit on the manufacturing of cannabis products, lower-potency hemp edibles, or hemp-derived consumer products a cannabis mezzobusiness that manufactures such products may perform. The limit must be equivalent to the amount of cannabis flower that can be harvested from a facility with a plant canopy of 5,000 square feet in a year, but may be increased to the amount that can be harvested from a facility with up to 15,000 cubic feet of plant canopy if the office expands the allowable area of cultivation under paragraph (a).

(c) A cannabis mezzobusiness with the appropriate endorsement may operate up to three retail locations.

Subd. 3. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis mezzobusiness license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; plans for wastewater and waste disposal for any cultivation or manufacturing activities; plans for providing electricity, water, and other utilities necessary for the normal operation of any cultivation or manufacturing activities; plans for compliance with applicable building codes and federal and state environmental and workplace safety requirements and policies; and plans to avoid sales to unlicensed cannabis businesses and individuals under 21 years of age;

(2) if the applicant is seeking an endorsement to cultivate cannabis plants and harvest cannabis flower, a cultivation plan demonstrating the proposed size and layout of the cultivation facility that will be used exclusively for cultivation including the total amount of plant canopy;

(3) if the applicant is seeking an endorsement to create cannabis concentrate, hemp concentrate, or synthetically derived cannabinoids, information identifying all methods of extraction, concentration, or conversion that the applicant intends to use and the volatile chemicals and catalysts, if any, that will be involved in extraction, concentration, or creation; and

(4) evidence that the applicant will comply with the applicable operation requirements for the license being sought.

Subd. 4. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis mezzobusiness license may also hold a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis mezzobusiness license may own or operate any other cannabis business or hemp business or hold more than one cannabis mezzobusiness license.

(c) For purposes of this subdivision, a restriction on the number or type of license that a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Subd. 5. **Cultivation endorsement.** A cannabis mezzobusiness that cultivates cannabis plants and harvests cannabis flower must comply with the requirements in section 342.25.

Subd. 6. **Extraction and concentration endorsement.** A cannabis mezzobusiness that creates cannabis concentrate must comply with the requirements in section 342.26, subdivisions 2 and 3.

Subd. 7. **Production of customer products endorsement.** A cannabis mezzobusiness that manufactures edible cannabis products, lower-potency hemp products, or hemp-derived consumer products must comply with the requirements in section 342.26, subdivisions 2 and 4.

Subd. 8. **Retail operations endorsement.** A cannabis mezzobusiness that operates a retail location must comply with the requirements in section 342.27.

Subd. 9. **Co-location.** (a) A cannabis mezzobusiness that is also a licensed medical cannabis retailer may sell medical cannabis flower and medical cannabinoid products on a portion of its premises.

(b) The portion of the premises in which medical cannabis flower and medical cannabinoid products are sold must be definite and distinct from all other areas of the cannabis mezzobusiness and must provide an appropriate space for a pharmacist employee of a medical cannabis retailer to consult with the patient to determine the proper type of medical cannabis flower and medical cannabinoid products and proper dosage for the patient.

Sec. 34. [342.32] CANNABIS WHOLESALER OPERATIONS.

Subdivision 1. **Separation of products.** A cannabis wholesaler must ensure that cannabis plants, cannabis flower, and cannabis products are physically separated from all other products, including but not limited to lower-potency hemp edibles and hemp-derived consumer products, in a manner that prevents any cross-contamination.

Subd. 2. **Records and labels.** A cannabis wholesaler must maintain accurate records and ensure that appropriate labels remain affixed to cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products.

Subd. 3. **Building conditions.** (a) A cannabis wholesaler shall maintain compliance with state and local building, fire, and zoning requirements or regulations.

(b) A cannabis wholesaler shall ensure that the licensed premises is maintained in a clean and sanitary condition, free from infestation by insects, rodents, or other pests.

Subd. 4. **Sale of other products.** A cannabis wholesaler may purchase and sell other products or items for which the cannabis wholesaler has a license or authorization or that do not require a

license or authorization. Products for which no license or authorization is required include but are not limited to industrial hemp products, products that contain hemp grain, hemp-derived topical products, and cannabis paraphernalia, including but not limited to childproof packaging containers and other devices designed to ensure the safe storage and monitoring of cannabis flower and cannabis products in the home to prevent access by individuals under 21 years of age.

Subd. 5. **Importation of hemp-derived products.** (a) A cannabis wholesaler that imports lower-potency hemp edibles or hemp-derived consumer products, other than hemp-derived topical products, that are manufactured outside the boundaries of the state of Minnesota with the intent to sell the products to a cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, or lower-potency hemp edible retailer must obtain a hemp-derived product importer endorsement from the office.

(b) A cannabis wholesaler with a hemp-derived product importer endorsement may sell products manufactured outside the boundaries of the state of Minnesota if:

(1) the manufacturer is licensed in another jurisdiction and subject to regulations designed to protect the health and safety of consumers that the office determines are substantially similar to the regulations in this state; or

(2) the cannabis wholesaler establishes, to the satisfaction of the office, that the manufacturer engages in practices that are substantially similar to the practices required for licensure of manufacturers in this state.

(c) The cannabis wholesaler must enter all relevant information regarding an imported hemp-derived consumer product into the statewide monitoring system before the product may be distributed. Relevant information includes information regarding the cultivation, processing, and testing of the industrial hemp used in the manufacture of the product and information regarding the testing of the hemp-derived consumer product. If information regarding the industrial hemp or hemp-derived consumer product was submitted to a statewide monitoring system used in another state, the office may require submission of any information provided to that statewide monitoring system and shall assist in the transfer of data from another state as needed and in compliance with any data classification established by either state.

(d) The office may suspend, revoke, or cancel the endorsement of a distributor who is prohibited from distributing products containing cannabinoids in any other jurisdiction, convicted of an offense involving the distribution of products containing cannabinoids in any other jurisdiction, or found liable for distributing any product that injured customers in any other jurisdiction. A cannabis wholesaler shall disclose all relevant information related to actions in another jurisdiction. Failure to disclose relevant information may result in disciplinary action by the office, including the suspension, revocation, or cancellation of an endorsement or license.

(e) Notwithstanding any law to the contrary, it shall not be a defense in any civil or criminal action that a licensed wholesaler relied on information on a product label or otherwise provided by a manufacturer who is not licensed in this state.

Sec. 35. [342.33] CANNABIS TRANSPORTER LICENSING.

Subdivision 1. **Authorized actions.** A cannabis transporter license entitles the license holder to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, synthetically derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, lower-potency hemp edible manufacturers, medical cannabis retailers, medical cannabis processors, and industrial hemp growers to cannabis microbusinesses, cannabis mezzobusinesses, cannabis manufacturers, cannabis testing facilities, cannabis wholesalers, cannabis retailers, lower-potency hemp edible product retailers, medical cannabis processors, and medical cannabis retailers and perform other actions approved by the office.

Subd. 2. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis transporter license must submit the following information in a form approved by the office:

(1) an appropriate surety bond, certificate of insurance, qualifications as a self-insurer, or other securities or agreements, in the amount of not less than \$300,000, for loss of or damage to cargo;

(2) an appropriate surety bond, certificate of insurance, qualifications as a self-insurer, or other securities or agreements, in the amount of not less than \$1,000,000, for injury to one or more persons in any one accident and, if an accident has resulted in injury to or destruction of property, of not less than \$100,000 because of such injury to or destruction of property of others in any one accident;

(3) the number and type of equipment the business will use to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, synthetically derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products;

(4) a loading, transporting, and unloading plan;

(5) a description of the applicant's experience in the distribution or security business; and

(6) evidence that the business will comply with the applicable operation requirements for the license being sought.

Subd. 3. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis transporter license may also hold a cannabis wholesaler license, a cannabis delivery service license, and a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis transporter license may own or operate any other cannabis business.

(c) The office by rule may limit the number of cannabis transporter licenses a person or business may hold.

(d) For purposes of this subdivision, restrictions on the number or type of license a business may hold apply to every cooperative member or every director, manager, and general partner of a cannabis business.

Sec. 36. [342.34] CANNABIS TRANSPORTER OPERATIONS.

Subdivision 1. **Manifest required.** Before transporting immature cannabis plants and seedlings, cannabis flower, cannabis products, synthetically derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products, a cannabis transporter shall obtain a shipping manifest on a form established by the office. The manifest must be kept with the products at all times and the cannabis transporter must maintain a copy of the manifest in its records.

Subd. 2. **Records of transportation.** Records of transportation must be kept for a minimum of three years at the cannabis transporter's place of business and are subject to inspection upon request by the office or law enforcement agency. Records of transportation include the following:

- (1) copies of transportation manifests for all deliveries;
- (2) a transportation log documenting the chain of custody for each delivery, including every employee and vehicle used during transportation; and
- (3) financial records showing payment for transportation services.

Subd. 3. **Storage compartment.** Immature cannabis plants and seedlings, cannabis flower, cannabis products, synthetically derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products must be transported in a locked, safe, and secure storage compartment that is part of the motor vehicle or in a locked storage container that has a separate key or combination pad. Items being transported may not be visible from outside the motor vehicle.

Subd. 4. **Identifying logos or business names prohibited.** No vehicle or trailer may contain an image depicting the types of items being transported, including but not limited to an image depicting a cannabis or hemp leaf, or a name suggesting that the vehicle is used in transporting immature cannabis plants and seedlings, cannabis flower, cannabis products, synthetically derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 5. **Randomized deliveries.** A cannabis transporter shall ensure that all delivery times and routes are randomized.

Subd. 6. **Multiple employees.** All cannabis transporter vehicles transporting immature cannabis plants and seedlings, cannabis flower, cannabis products, synthetically derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products must be staffed with a minimum of two employees. At least one delivery team member shall remain with the motor vehicle at all times that the motor vehicle contains cannabis plants and seedlings, cannabis flower, cannabis products, synthetically derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 7. **Nonemployee passengers prohibited.** Only a cannabis worker employed by or contracted with the cannabis transporter and who is at least 21 years of age may transport immature cannabis plants and seedlings, cannabis flower, cannabis products, synthetically derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer

products. All passengers in a vehicle must be cannabis workers employed by or contracted with the cannabis transporter.

Subd. 8. **Drivers license required.** All drivers must carry a valid driver's license with the proper endorsements when operating a vehicle transporting immature cannabis plants and seedlings, cannabis flower, cannabis products, synthetically derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 9. **Vehicles subject to inspection.** Any vehicle assigned for the purposes of transporting immature cannabis plants and seedlings, cannabis flower, cannabis products, synthetically derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products is subject to inspection and may be stopped or inspected at any licensed cannabis business or while en route during transportation.

Sec. 37. **[342.35] CANNABIS TESTING FACILITY LICENSING.**

Subdivision 1. **Authorized actions.** A cannabis testing facility license entitles the license holder to obtain and test immature cannabis plants and seedlings, cannabis flower, cannabis products, hemp plant parts, hemp concentrate, synthetically derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, lower-potency hemp edible manufacturers, medical cannabis cultivators, medical cannabis processors, and industrial hemp growers.

Subd. 2. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis testing facility license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems and policies to avoid sales to unlicensed businesses;

(2) proof of accreditation by a laboratory accrediting organization approved by the office that, at a minimum, requires a laboratory to operate formal management systems under the International Organization for Standardization; and

(3) evidence that the business will comply with the applicable operation requirements for the license being sought.

Subd. 3. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis testing facility license may not own or operate, or be employed by, any other cannabis business or hemp business.

(b) The office by rule may limit the number of cannabis testing facility licenses a person or business may hold.

(c) For purposes of this subdivision, a restriction on the number of licenses a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Sec. 38. **[342.36] CANNABIS TESTING FACILITY OPERATIONS.**

Subdivision 1. **Testing services.** A cannabis testing facility shall provide some or all testing services required under section 342.60 and rules adopted pursuant to that section.

Subd. 2. **Testing protocols.** A cannabis testing facility shall follow all testing protocols, standards, and criteria adopted by rule by the office for the testing of different forms of cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, hemp plant parts, hemp concentrate, and synthetically derived cannabinoids; determining batch size; sampling; testing validity; and the approval and disapproval of tested items.

Subd. 3. **Records.** Records of all business transactions and testing results; records required to be maintained pursuant to any applicable standards for accreditation; and records relevant to testing protocols, standards, and criteria adopted by the office must be kept for a minimum of three years at the cannabis testing facility's place of business and are subject to inspection upon request by the office or law enforcement agency.

Subd. 4. **Disposal of cannabis flower and cannabinoid products.** A testing facility shall dispose of or destroy used, unused, and waste cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, hemp plant parts, hemp concentrate, and synthetically derived cannabinoids, pursuant to rules adopted by the office.

Sec. 39. **[342.37] CANNABIS EVENT ORGANIZER LICENSING.**

Subdivision 1. **Authorized actions.** A cannabis event organizer license entitles the license holder to organize a temporary cannabis event lasting no more than four days.

Subd. 2. **Additional information required.** (a) In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis event organizer license must submit the following information in a form approved by the office:

(1) the type and number of any other cannabis business license held by the applicant;

(2) the address and location where the temporary cannabis event will take place;

(3) the name of the temporary cannabis event;

(4) a diagram of the physical layout of the temporary cannabis event showing where the event will take place on the grounds; all entrances and exits that will be used by participants during the event; all cannabis consumption areas; all cannabis retail areas where cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products will be sold; the location where cannabis waste will be stored; and any location where cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products will be stored;

(5) a list of the name, number, and type of cannabis businesses and hemp businesses that will sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, and hemp-derived consumer products at the event, which may be supplemented or amended within 72 hours of the time at which the cannabis event begins;

(6) the dates and hours during which the cannabis event will take place;

(7) proof of local approval for the cannabis event; and

(8) evidence that the business will comply with the applicable operation requirements for the license being sought.

(b) A person, cooperative, or business seeking a cannabis event organizer license may also disclose whether the person or any officer, director, manager, and general partner of a cannabis business is serving or has previously served in the military.

Subd. 3. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis event organizer license may not hold a cannabis testing facility license, a lower-potency hemp edible manufacturer license, or a lower-potency hemp edible retailer license.

(b) The office by rule may limit the number of cannabis event licenses that a person or business may hold.

(c) For purposes of this subdivision, restrictions on the number or type of license that a business may hold apply to every cooperative member or every director, manager, and general partner of a cannabis business.

Sec. 40. [342.38] CANNABIS EVENT ORGANIZER OPERATIONS.

Subdivision 1. **Local approval.** A cannabis event organizer must receive local approval, including obtaining any necessary permits or licenses issued by a local unit of government, before holding a cannabis event.

Subd. 2. **Charging fees.** (a) A cannabis event organizer may charge an entrance fee to a cannabis event.

(b) A cannabis event organizer may charge a fee to a cannabis business or hemp business in exchange for space to display and sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products. Any fee paid for participation in a cannabis event shall not be based on or tied to the sale of cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 3. **Security.** A cannabis event organizer must hire or contract for licensed security personnel to provide security services at the cannabis event. All security personnel hired or contracted for shall be at least 21 years of age and present on the licensed event premises at all times that cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products are available for sale or consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products is allowed. The security personnel shall not consume cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products for at least 24 hours before the event or during the event.

Subd. 4. **Limited access to event.** A cannabis event organizer shall ensure that access to an event is limited to individuals who are at least 21 years of age. At or near each public entrance to any area where the sale or consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products is allowed, a cannabis event organizer shall maintain a clearly visible and legible sign consisting of the following statement: "No persons under 21 allowed." The lettering of the sign shall be not less than one inch in height.

Subd. 5. **Cannabis waste.** A cannabis event organizer shall ensure that all used, unused, and waste cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products that are not removed by a customer, cannabis business, or hemp business are disposed of in a manner approved by the office.

Subd. 6. **Transportation of cannabis plants, flower, and products.** All transportation of cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products intended for display or sale and all such items used for display or not sold during the cannabis event must be transported to and from the cannabis event by a licensed cannabis transporter.

Subd. 7. **Cannabis event sales.** (a) Cannabis microbusinesses with a retail endorsement, cannabis mezzobusinesses with a retail endorsement, cannabis retailers, and lower-potency hemp edible retailers, including the cannabis event organizer, may be authorized to sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to customers at a cannabis event.

(b) All sales of cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products at a cannabis event must take place in a retail area as designated in the premises diagram.

(c) Authorized retailers may only conduct sales within their specifically assigned area.

(d) Authorized retailers must verify the age of all customers pursuant to section 342.28, subdivision 4, before completing a sale and may not sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to an individual under 21 years of age.

(e) Authorized retailers may display one sample of each type of cannabis plant, adult-use cannabis flower, adult-use cannabis product, lower-potency hemp edible, and hemp-derived consumer product available for sale. Samples of adult-use cannabis flower and adult-use cannabis products must be stored in a sample jar or display case and be accompanied by a label or notice containing the information required to be affixed to the packaging or container containing adult-use cannabis flower and adult-use cannabis products sold to customers. A sample may not consist of more than eight grams of adult-use cannabis flower or adult-use cannabis concentrate, or an edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol. A cannabis retailer may allow customers to smell the adult-use cannabis flower or adult-use cannabis product before purchase.

(f) The notice requirements under section 342.28, subdivision 6, apply to authorized cannabis retailers and licensed cannabis microbusinesses offering cannabis plants, adult-use cannabis flower, adult-use cannabinoid products, and hemp-derived consumer products for sale at a cannabis event.

(g) Authorized retailers may not:

(1) sell adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a person who is visibly intoxicated;

(2) knowingly sell more cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products than a customer is legally permitted to possess;

(3) sell medical cannabis flower or medical cannabinoid products;

(4) give away cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products; or

(5) allow for the dispensing of cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in vending machines.

(h) Except for samples of a cannabis plant, adult-use cannabis flower, adult-use cannabis product, lower-potency hemp edible, and hemp-derived consumer product, all cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale at a cannabis event must be stored in a secure, locked container that is not accessible to the public. Such items being stored at a cannabis event shall not be left unattended.

(i) All cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products for sale at a cannabis event must comply with this chapter and rules adopted pursuant to this chapter regarding the testing, packaging, and labeling of those items.

(j) All cannabis plants, adult-use cannabis flower, and adult-use cannabis products sold, damaged, or destroyed at a cannabis event must be recorded in the statewide monitoring system.

Subd. 8. Cannabis event on-site consumption. (a) If approved by the local unit of government, a cannabis event may designate an area for consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or any combination of those items.

(b) Access to areas where consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products is allowed shall be restricted to individuals who are at least 21 years of age.

(c) The cannabis event organizer shall ensure that consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products within a designated consumption area is not visible from any public place.

(d) The cannabis event organizer shall not permit consumption of alcohol or tobacco.

(e) The cannabis event organizer shall not permit smoking, according to section 144.413, of adult-use cannabis flower or cannabis products at any location where smoking is not permitted under sections 144.413 to 144.417. Nothing in this section prohibits a statutory or home rule charter city

or county from enacting and enforcing more stringent measures to protect individuals from secondhand smoke or involuntary exposure to aerosol or vapor from electronic delivery devices.

Sec. 41. **[342.39] CANNABIS DELIVERY SERVICE LICENSING.**

Subdivision 1. **Authorized actions.** A cannabis delivery service license entitles the license holder to purchase cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from licensed cannabis retailers, licensed cannabis microbusinesses with a retail endorsement, cannabis mezzobusinesses with a retail endorsement, cannabis retailers, and medical cannabis retailers; transport and deliver cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumable products to customers; and perform other actions approved by the office.

Subd. 2. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis delivery service license must submit the following information in a form approved by the office:

(1) a list of all vehicles to be used in the delivery of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products including:

(i) the vehicle make, model, and color;

(ii) the vehicle identification number; and

(iii) the license plate number;

(2) proof of insurance for each vehicle;

(3) a business plan demonstrating policies to avoid sales of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to individuals who are under 21 years of age and plans to prevent the visibility of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to individuals outside the delivery vehicle; and

(4) evidence that the business will comply with the applicable operation requirements for the license being sought.

Subd. 3. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis delivery service license may also hold a cannabis retailer license, a cannabis wholesaler license, a cannabis transporter license, a cannabis event organizer license, and a medical cannabis retailer license subject to the ownership limitations that apply to those licenses.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis delivery service license may own or operate any other cannabis business or hemp business.

(c) The office by rule may limit the number of cannabis delivery service licenses that a person or business may hold.

(d) For purposes of this subdivision, a restriction on the number or type of license that a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Sec. 42. **[342.40] CANNABIS DELIVERY SERVICE OPERATIONS.**

Subdivision 1. **Age or registry verification.** Prior to completing a delivery, a cannabis delivery service shall verify that the customer is at least 21 years of age or is enrolled in the registry program. Section 342.28, subdivision 4, applies to the verification of a customer's age. Registry verification issued by the Division of Medical Cannabis may be considered evidence that the person is enrolled in the registry program.

Subd. 2. **Records.** The office by rule shall establish record-keeping requirements for a cannabis delivery service, including but not limited to proof of delivery to individuals who are at least 21 years of age or enrolled in the registry program.

Subd. 3. **Amount to be transported.** The office by rule shall establish limits on the amount of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products that a cannabis delivery service may transport.

Subd. 4. **Statewide monitoring system.** Receipt of cannabis flower and cannabis products by the cannabis delivery service and a delivery to a customer must be recorded in the statewide monitoring system within the time established by rule.

Subd. 5. **Storage compartment.** Cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products must be transported in a locked, safe, and secure storage compartment that is part of the cannabis delivery service vehicle or in a locked storage container that has a separate key or combination pad. Cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products may not be visible from outside the cannabis delivery service vehicle.

Subd. 6. **Identifying logos or business names prohibited.** No cannabis delivery service vehicle or trailer may contain an image depicting the types of items being transported, including but not limited to an image depicting a cannabis or hemp leaf, or a name suggesting that the cannabis delivery service vehicle is used for transporting cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 7. **Nonemployee passengers prohibited.** Only a cannabis worker employed by or contracted with the cannabis delivery service and who is at least 21 years of age may transport cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products. All passengers in a cannabis delivery service vehicle must be cannabis workers employed by or contracted with the cannabis delivery service.

Subd. 8. **Vehicles subject to inspection.** Any cannabis delivery service vehicle is subject to inspection and may be stopped or inspected at any licensed cannabis business or while en route during transportation.

Sec. 43. **[342.41] LOWER-POTENCY HEMP EDIBLE RETAILER.**

Subdivision 1. **Sale of lower-potency hemp edibles.** (a) A lower-potency hemp edible retailer may only sell lower-potency hemp edibles to individuals who are at least 21 years of age.

(b) A lower-potency hemp edible retailer may sell lower-potency hemp edibles that:

(1) are obtained from a licensed Minnesota cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, cannabis wholesaler, or lower-potency hemp edible manufacturer; and

(2) meet all applicable packaging and labeling requirements.

Subd. 2. **Sale of other products.** A lower-potency hemp edible retailer may sell other products or items for which the lower-potency hemp edible retailer has a license or authorization or that do not require a license or authorization.

Subd. 3. **Age verification.** Prior to initiating a sale, an employee of the lower-potency hemp edible retailer must verify that the customer is at least 21 years of age. Section 342.28, subdivision 4, applies to the verification of a customer's age.

Subd. 4. **Compliant products.** (a) A lower-potency hemp edible retailer shall ensure that all lower-potency hemp edibles offered for sale comply with the limits on the amounts and types of cannabinoids that a lower-potency hemp edible can contain, including but not limited to the requirement that lower-potency hemp edibles:

(1) consist of servings that contain no more than five milligrams of delta-9 tetrahydrocannabinol, 25 milligrams of cannabidiol, 25 milligrams of cannabigerol per serving, or any combination of those cannabinoids that does not exceed the identified amounts;

(2) do not contain more than a combined total of 0.5 milligrams of all other cannabinoids; and

(3) do not contain a synthetically derived cannabinoid other than delta-9 tetrahydrocannabinol.

(b) If a lower-potency hemp edible is packaged in a manner that includes more than a single serving, the lower-potency hemp edible must indicate each serving by scoring, wrapping, or other indicators that appear on the lower-potency hemp edible designating the individual serving size. If it is not possible to indicate a single serving by scoring or use of another indicator that appears on the product, the lower-potency hemp edible may not be packaged in a manner that includes more than a single serving in each container. If the lower-potency hemp edible is meant to be consumed as a beverage, the beverage container may not contain more than two servings per container.

(c) A single package containing multiple servings of a lower-potency hemp edible must contain no more than 50 milligrams of delta-9 tetrahydrocannabinol, 250 milligrams of cannabidiol, 250 milligrams of cannabigerol, or any combination of those cannabinoids that does not exceed the identified amounts.

Subd. 5. **Prohibitions.** A lower-potency hemp edible retailer may not:

(1) sell lower-potency hemp edibles to an individual who is under 21 years of age;

(2) sell a lower-potency hemp edible to a person who is visibly intoxicated;

(3) sell cannabis flower, cannabis products, or hemp-derived consumer products;

(4) allow for the dispensing of lower-potency hemp edibles in vending machines; or

(5) distribute or allow free samples of lower-potency hemp edibles except when the business is licensed to permit on-site consumption and samples are consumed within its licensed premises.

Subd. 6. **On-site consumption.** (a) A lower-potency hemp edible retailer may permit on-site consumption of lower-potency hemp edibles on a portion of its premises if it has an on-site consumption endorsement.

(b) The office shall issue an on-site consumption endorsement to any lower-potency hemp edible retailer that also holds an on-sale license issued under chapter 340A.

(c) Lower-potency hemp edibles sold for on-site consumption must comply with this chapter and rules adopted pursuant to this chapter regarding testing.

(d) Lower-potency hemp edibles sold for on-site consumption, other than lower-potency hemp edibles that are intended to be consumed as a beverage, must be served in the required packaging, but may be removed from the product's packaging by customers and consumed on site.

(e) Lower-potency hemp edibles that are intended to be consumed as a beverage may be served outside of their packaging provided the information that is required to be contained on the label of a lower-potency hemp edible is posted or otherwise displayed by the lower-potency hemp edible retailer. Hemp workers who serve beverages under this paragraph are not required to obtain an edible cannabis product handler endorsement under section 342.07, subdivision 3.

(f) Food and beverages not otherwise prohibited by this subdivision may be prepared and sold on site provided that the lower-potency hemp edible retailer complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(g) A lower-potency hemp edible retailer may offer recorded or live entertainment provided that the lower-potency hemp edible retailer complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(h) In addition to the prohibitions under this section, a lower-potency hemp edible retailer with an on-site consumption endorsement may not:

(1) sell lower-potency hemp edibles to a customer who the lower-potency hemp edible retailer knows or reasonably should know is intoxicated;

(2) sell lower-potency hemp edibles that are designed or reasonably expected to be mixed with an alcoholic beverage; or

(3) permit lower-potency hemp edibles that have been removed from the product's packaging to be removed from the premises of the lower-potency hemp edible retailer.

Subd. 7. **Importation of lower-potency hemp edibles.** (a) A lower-potency hemp edible retailer may import lower-potency hemp edibles that are manufactured outside the boundaries of the state of Minnesota if the retailer has a lower-potency hemp edible importer endorsement from the office.

(b) A lower-potency hemp edible retailer may sell products manufactured outside the boundaries of the state of Minnesota if:

(1) the manufacturer is licensed in another jurisdiction and subject to regulations designed to protect the health and safety of consumers that the office determines are substantially similar to the regulations in this state; or

(2) the lower-potency hemp retailer establishes, to the satisfaction of the office, that the manufacturer engages in practices that are substantially similar to the practices required for licensure of manufacturers in this state.

(c) A lower-potency hemp retailer must enter all relevant information regarding an imported lower-potency hemp edible into the statewide monitoring system before the product may be distributed. Relevant information includes information regarding the cultivation, processing, and testing of the industrial hemp used in the manufacture of the lower-potency hemp edible. If information regarding the industrial hemp or lower-potency hemp edible was submitted to a statewide monitoring system used in another state, the office may require submission of any information provided to that statewide monitoring system and shall assist in the transfer of data from another state as needed and in compliance with any data classification established by either state.

(d) The office may suspend, revoke, or cancel the endorsement of a distributor that is prohibited from distributing products containing cannabinoids in any other jurisdiction, convicted of an offense involving the distribution of products containing cannabinoids in any other jurisdiction, or found liable for distributing any product that injured customers in any other jurisdiction. A lower-potency hemp edible retailer shall disclose all relevant information related to the retailer's actions in another jurisdiction. Failure to disclose relevant information may result in disciplinary action by the office, including the suspension, revocation, or cancellation of an endorsement or license.

(e) Notwithstanding any law to the contrary, it shall not be a defense in any civil or criminal action that a licensed lower-potency hemp edible retailer relied on information on a product label or otherwise provided by a manufacturer who is not licensed in this state.

Subd. 8. **Posting of notices.** A lower-potency hemp edible retailer must post all notices as provided in section 342.28, subdivision 6.

Subd. 9. **Building conditions.** (a) A lower-potency hemp edible retailer shall maintain compliance with state and local building, fire, and zoning requirements or regulations.

(b) A lower-potency hemp edible retailer shall ensure that the licensed premises is maintained in a clean and sanitary condition, free from infestation by insects, rodents, or other pests.

Subd. 10. **Enforcement.** The office shall inspect lower-potency hemp edible retailers and take enforcement action as provided in sections 342.17 and 342.18.

Sec. 44. **[342.42] MEDICAL CANNABIS BUSINESS LICENSES.**

Subdivision 1. **License types.** (a) The office shall issue the following types of medical cannabis business licenses:

(1) medical cannabis cultivator;

(2) medical cannabis processor; and

(3) medical cannabis retailer.

(b) The Division of Medical Cannabis may oversee the licensing and regulation of medical cannabis businesses.

Subd. 2. **Multiple licenses; limits.** (a) A person, cooperative, or business holding:

(1) a medical cannabis cultivator license may also hold a medical cannabis processor license, a cannabis cultivator license, a cannabis manufacturer license, and a cannabis event organizer license subject to the ownership limitations that apply to those licenses;

(2) a medical cannabis processor license may also hold a medical cannabis cultivator license, a cannabis cultivator license, a cannabis manufacturer license, and a cannabis event organizer license subject to the ownership limitations that apply to those licenses; or

(3) a medical cannabis retailer license may also hold a cannabis retailer license, a cannabis delivery service license, and a cannabis event organizer license subject to the ownership limitations that apply to those licenses.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a medical cannabis license may own or operate any other cannabis business.

(c) The office by rule may limit the number of medical cannabis business licenses that a person or business may hold.

(d) For purposes of this subdivision, a restriction on the number of licenses or type of license that a business may hold applies to every cooperative member or every director, manager, and general partner of a medical cannabis business.

Subd. 3. **Limitations on health care practitioners.** A health care practitioner who certifies qualifying medical conditions for patients is prohibited from:

(1) holding a direct or indirect economic interest in a medical cannabis business;

(2) serving on a board of directors or as an employee of a medical cannabis business; or

(3) advertising with a medical cannabis business in any way.

Subd. 4. **Remuneration.** A medical cannabis business is prohibited from:

(1) accepting or soliciting any form of remuneration from a health care practitioner who certifies qualifying medical conditions for patients; or

(2) offering any form of remuneration to a health care practitioner who certifies qualifying medical conditions for patients.

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

Sec. 45. **[342.43] HEMP BUSINESS LICENSE TYPES; MULTIPLE LICENSES.**

Subdivision 1. License types. The office shall issue the following types of hemp business licenses:

(1) lower-potency hemp edible manufacturer; and

(2) lower-potency hemp edible retailer.

Subd. 2. Multiple licenses; limits. (a) A person, cooperative, or business may hold both a lower-potency hemp edible manufacturer and lower-potency hemp edible retailer license.

(b) Nothing in this section prohibits a person, cooperative, or business from holding a lower-potency hemp edible manufacturer license or a lower-potency hemp edible retailer license, or both, and also holding a license to cultivate industrial hemp issued pursuant to chapter 18K.

(c) Nothing in this section prohibits a person, cooperative, or business from holding a lower-potency hemp edible manufacturer license or a lower-potency hemp edible retailer license, or both, and also holding any other license, including but not limited to a license to prepare or sell food; sell tobacco, tobacco-related devices, and electronic delivery devices as defined in section 609.685, subdivision 1; nicotine and lobelia delivery products as described in section 609.6855; or manufacture or sell alcoholic beverages as defined in section 340A.101, subdivision 2.

(d) A person, cooperative, or business holding a lower-potency hemp edible manufacturer license or a lower-potency hemp edible retailer license, or both, may not hold a cannabis business license.

Sec. 46. **[342.44] MEDICAL CANNABIS BUSINESS APPLICATIONS.**

Subdivision 1. Information required. In addition to information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a medical cannabis business license must submit the following information in a form approved by the office:

(1) for medical cannabis cultivator license applicants:

(i) an operating plan demonstrating the proposed size and layout of the cultivation facility; plans for wastewater and waste disposal for the cultivation facility; plans for providing electricity, water, and other utilities necessary for the normal operation of the cultivation facility; and plans for compliance with applicable building code and federal and state environmental and workplace safety requirements;

(ii) a cultivation plan demonstrating the proposed size and layout of the cultivation facility that will be used exclusively for cultivation for medical cannabis, including the total amount of plant canopy; and

(iii) evidence that the business will comply with the applicable operation requirements for the license being sought;

(2) for medical cannabis processor license applicants:

(i) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; plans for wastewater and waste disposal for the manufacturing facility; plans for providing electricity, water, and other utilities necessary for the normal operation of the manufacturing facility; and plans for compliance with applicable building code and federal and state environmental and workplace safety requirements;

(ii) all methods of extraction and concentration that the applicant intends to use and the volatile chemicals, if any, that are involved in extraction or concentration;

(iii) if the applicant is seeking an endorsement to manufacture products infused with cannabinoids for consumption by patients enrolled in the registry program, proof of an edible cannabis product handler endorsement from the office; and

(iv) evidence that the applicant will comply with the applicable operation requirements for the license being sought; or

(3) for medical cannabis retailer license applicants:

(i) a list of every retail license held by the applicant and, if the applicant is a business, every retail license held, either as an individual or as part of another business, by each officer, director, manager, and general partner of the cannabis business;

(ii) an operating plan demonstrating the proposed layout of the facility including a diagram of ventilation and filtration systems, policies to avoid sales to individuals who are not authorized to receive the distribution of medical cannabis flower or medical cannabinoid products, identification of a restricted area for storage, and plans to prevent the visibility of cannabis flower and cannabis products;

(iii) if the applicant holds or is applying for a cannabis retailer license, a diagram showing the portion of the premises in which medical cannabis flower and medical cannabinoid products will be sold and distributed and identifying an area that is definite and distinct from all other areas of the cannabis retailer, accessed through a distinct entrance, and contains an appropriate space for a pharmacist employee of the medical cannabis retailer to consult with the patient to determine the proper type of medical cannabis flower and medical cannabinoid products and proper dosage for the patient; and

(iv) evidence that the applicant will comply with the applicable operation requirements for the license being sought.

Subd. 2. **Segregation of medical cannabis.** A person, cooperative, or business seeking a medical cannabis cultivator license or a medical cannabis processor license and any other type of cannabis business license, other than a cannabis event organizer license, must identify the methods that will be used to segregate medical cannabis flower and medical cannabinoid products from other cannabis flower and cannabis products to avoid cross-contamination.

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

Sec. 47. **[342.45] HEMP BUSINESS LICENSES; APPLICATIONS AND ISSUANCE.**

Subdivision 1. **Application; contents.** (a) Except as otherwise provided in this subdivision, the provisions of this chapter relating to license applications, license selection criteria, general ownership disqualifications and requirements, and general operational requirements do not apply to hemp businesses.

(b) The office by rule shall establish forms and procedures for the processing of hemp licenses issued under this chapter. At a minimum, any application to obtain or renew a hemp license shall include the following information, if applicable:

(1) the name, address, and date of birth of the applicant;

(2) the address and legal property description of the business;

(3) proof of trade name registration;

(4) certification that the applicant will comply with the requirements of this chapter relating to the ownership and operation of a hemp business;

(5) identification of one or more controlling persons or managerial employees as agents who shall be responsible for dealing with the office on all matters; and

(6) a statement that the applicant agrees to respond to the office's supplemental requests for information.

(c) An application on behalf of a corporation or association shall be signed by at least two officers or managing agents of that entity.

Subd. 2. **Issuance; eligibility; prohibition on transfer.** (a) The office may issue a hemp license to an applicant who:

(1) is at least 21 years of age;

(2) has completed an application for licensure or application for renewal and has fully and truthfully complied with all information requests relating to license application and renewal;

(3) has paid the applicable application and license fees pursuant to section 342.11;

(4) is not employed by the office or any state agency with regulatory authority over this chapter; and

(5) does not hold any cannabis business license.

(b) Licenses must be renewed annually.

(c) Licenses may not be transferred.

Sec. 48. [342.46] LOWER-POTENCY HEMP EDIBLE MANUFACTURER.

Subdivision 1. **Authorized actions.** A lower-potency hemp edible manufacturer license entitles the license holder to:

(1) purchase hemp plant parts, hemp concentrate, and synthetically derived cannabinoids from cannabis microbusinesses, cannabis mezzobusinesses, cannabis manufacturers, cannabis wholesalers, and lower-potency hemp edible manufacturers;

(2) purchase hemp plant parts and propagules from industrial hemp growers licensed under chapter 18K;

(3) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

(4) make hemp concentrate;

(5) manufacture synthetically derived cannabinoids;

(6) manufacture lower-potency hemp edibles for public consumption;

(7) package and label lower-potency hemp edibles for sale to customers;

(8) sell hemp concentrate, synthetically derived cannabinoids, and lower-potency hemp edibles to other cannabis businesses and hemp businesses; and

(9) perform other actions approved by the office.

Subd. 2. **All manufacturer operations.** (a) All hemp manufacturing must take place in a facility and on equipment that meets the applicable health and safety requirements established by the office, including requirements for cleaning and testing machinery between production of different products.

(b) A lower-potency hemp edible manufacturer must comply with all applicable packaging, labeling, and testing requirements.

Subd. 3. **Extraction and concentration.** (a) A lower-potency hemp edible manufacturer that creates hemp concentrate or synthetically derived cannabinoids must obtain an endorsement from the office.

(b) A lower-potency hemp edible manufacturer seeking an endorsement to create hemp concentrate must inform the office of all methods of extraction and concentration that the manufacturer intends to use and identify the volatile chemicals, if any, that will be involved in the creation of hemp concentrate. A lower-potency hemp edible manufacturer may not use a method of extraction and concentration of a volatile chemical without approval by the office.

(c) A lower-potency hemp edible manufacturer seeking an endorsement to create synthetically derived cannabinoids must inform the office of all methods of conversion that the manufacturer will use, including any specific catalysts that the manufacturer will employ, to create synthetically derived cannabinoids and the molecular nomenclature of all cannabinoids or other chemical compound that the manufacturer will create. A business licensed or authorized to manufacture lower-potency hemp edibles may not use a method of conversion or a catalyst without approval by the office.

(d) A lower-potency hemp edible manufacturer must obtain a certification from an independent third-party industrial hygienist or professional engineer approving:

(1) all electrical, gas, fire suppression, and exhaust systems; and

(2) the plan for safe storage and disposal of hazardous substances, including but not limited to any volatile chemicals.

(e) Upon the sale of hemp concentrate or synthetically derived cannabinoids to any person, cooperative, or business, a lower-potency hemp edible manufacturer must provide a statement to the buyer that discloses the method of extraction and concentration or conversion used and any solvents, gases, or catalysts, including but not limited to any volatile chemicals, involved in that method.

Subd. 4. **Production of consumer products.** (a) A lower-potency hemp edible manufacturer that produces lower-potency hemp edibles must obtain an edible cannabis product handler endorsement from the office.

(b) All areas within the premises of a lower-potency hemp edible manufacturer used for producing lower-potency hemp edibles must meet the sanitary standards specified in rules adopted by the office.

(c) A lower-potency hemp edible manufacturer may only add chemicals or compounds approved by the office to hemp concentrate or synthetically derived cannabinoids.

(d) Upon the sale of any lower-potency hemp edible to a cannabis business or hemp business, a lower-potency hemp edible manufacturer must provide a statement to the buyer that discloses the product's ingredients, including but not limited to any chemicals or compounds and any major food allergens declared by name.

(e) A lower-potency hemp edible manufacturer shall not add any synthetically derived cannabinoid, hemp plant part, or hemp concentrate to a product where the manufacturer of the product holds a trademark to the product's name, except that a lower-potency hemp edible manufacturer may use a trademarked food product if the manufacturer uses the product as a component or as part of a recipe and where the lower-potency hemp edible manufacturer does not state or advertise to the customer that the final retail lower-potency hemp edible contains a trademarked food product.

(f) A lower-potency hemp edible manufacturer shall not add any cannabis flower, cannabis concentrate, or any cannabinoid derived from cannabis flower or cannabis concentrate to a product.

Sec. 49. **[342.47] MEDICAL CANNABIS CULTIVATORS.**

(a) A medical cannabis cultivator license entitles the license holder to grow cannabis plants within the approved amount of space up to 60,000 square feet of plant canopy from seed or immature plant to mature plant, harvest cannabis flower from a mature plant, package and label cannabis flower as medical cannabis flower, sell medical cannabis flower to medical cannabis processors and medical cannabis retailers, transport medical cannabis flower to a medical cannabis processor located on the same premises, and perform other actions approved by the office.

(b) A medical cannabis cultivator license holder must comply with all requirements of section 342.25.

(c) A medical cannabis cultivator license holder must verify that every batch of medical cannabis flower has passed safety, potency, and consistency testing at a cannabis testing facility approved by the office for the testing of medical cannabis flower before the medical cannabis cultivator may package, label, or sell the medical cannabis flower to any other entity.

(d) A medical cannabis cultivator may exceed the limit of 60,000 square feet of plant canopy if it was legally cultivating medical cannabis with a greater plant canopy as of April 1, 2023.

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

Sec. 50. [342.48] MEDICAL CANNABIS PROCESSORS.

(a) A medical cannabis processor license, consistent with the specific license endorsement or endorsements, entitles the license holder to:

(1) purchase medical cannabis flower, medical cannabinoid products, hemp plant parts, and hemp concentrate from medical cannabis cultivators and other medical cannabis processors;

(2) purchase hemp plant parts from industrial hemp growers;

(3) make cannabis concentrate from medical cannabis flower;

(4) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

(5) manufacture medical cannabinoid products;

(6) package and label medical cannabinoid products for sale to other medical cannabis processors and to medical cannabis retailers; and

(7) perform other actions approved by the office.

(b) A medical cannabis processor license holder must comply with all requirements of section 342.26, including requirements to obtain specific license endorsements.

(c) A medical cannabis processor license holder must verify that every batch of medical cannabinoid product has passed safety, potency, and consistency testing at a cannabis testing facility approved by the office for the testing of medical cannabinoid products before the medical cannabis processor may package, label, or sell the medical cannabinoid product to any other entity.

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

Sec. 51. [342.49] MEDICAL CANNABIS RETAILERS.

Subdivision 1. **Authorized actions.** (a) A medical cannabis retailer license entitles the license holder to purchase medical cannabis flower and medical cannabinoid products from medical cannabis cultivators and medical cannabis processors and sell or distribute medical cannabis flower and medical cannabinoid products to any person authorized to receive medical cannabis flower or medical cannabinoid products.

(b) A medical cannabis retailer license holder must verify that all medical cannabis flower and medical cannabinoid products have passed safety, potency, and consistency testing at a cannabis testing facility approved by the office for the testing of medical cannabis flower and medical cannabinoid products before the medical cannabis retailer may distribute the medical cannabis flower or medical cannabinoid product to any person authorized to receive medical cannabis flower or medical cannabinoid products.

Subd. 2. **Distribution requirements.** (a) Prior to distribution of medical cannabis flower or medical cannabinoid products, a medical cannabis retailer licensee must:

(1) review and confirm the patient's registry verification;

(2) verify that the person requesting the distribution of medical cannabis flower or medical cannabinoid products is the patient, the patient's registered designated caregiver, or the patient's parent, legal guardian, or spouse using the procedures specified in section 152.11, subdivision 2d;

(3) ensure that a pharmacist employee of the medical cannabis retailer has consulted with the patient if required according to subdivision 3; and

(4) apply a patient-specific label on the medical cannabis flower or medical cannabinoid product that includes recommended dosage requirements and other information as required by rules adopted by the office.

(b) A medical cannabis retailer may not deliver medical cannabis flower or medical cannabinoid products unless the medical cannabis retailer also holds a cannabis delivery service license. Delivery of medical cannabis flower and medical cannabinoid products are subject to the provisions of section 342.40.

Subd. 3. **Final approval for distribution of medical cannabis flower and medical cannabinoid products.** (a) A cannabis worker who is employed by a medical cannabis retailer and who is licensed as a pharmacist pursuant to chapter 151 shall be the only person who may give final approval for the distribution of medical cannabis flower and medical cannabinoid products. Prior to the distribution of medical cannabis flower or medical cannabinoid products, a pharmacist employed by the medical cannabis retailer must consult with the patient to determine the proper type of medical cannabis flower, medical cannabinoid product, or medical cannabis paraphernalia and proper dosage for the patient after reviewing the range of chemical compositions of medical cannabis flower or medical cannabinoid product. For purposes of this subdivision, a consultation may be conducted remotely by secure videoconference, telephone, or other remote means, as long as:

(1) the pharmacist engaging in the consultation is able to confirm the identity of the patient; and

(2) the consultation adheres to patient privacy requirements that apply to health care services delivered through telemedicine.

(b) Notwithstanding paragraph (a), a pharmacist consultation is not required prior to the distribution of medical cannabis flower or medical cannabinoid products when a medical cannabis retailer is distributing medical cannabis flower or medical cannabinoid products to a patient according to a patient-specific dosage plan established with that medical cannabis retailer and is not modifying the dosage or product being distributed under that plan. Medical cannabis flower or medical

cannabinoid products distributed under this paragraph must be distributed by a pharmacy technician employed by the medical cannabis retailer.

Subd. 4. **90-day supply.** A medical cannabis retailer shall not distribute more than a 90-day supply of medical cannabis flower or medical cannabinoid products to a patient, registered designated caregiver, or parent, legal guardian, or spouse of a patient according to the dosages established for the individual patient.

Subd. 5. **Distribution to recipient in a motor vehicle.** A medical cannabis retailer may distribute medical cannabis flower and medical cannabinoid products to a patient, registered designated caregiver, or parent, legal guardian, or spouse of a patient who is at a dispensary location but remains in a motor vehicle, provided that:

(1) staff receive payment and distribute medical cannabis flower and medical cannabinoid products in a designated zone that is as close as feasible to the front door of the facility;

(2) the medical cannabis retailer ensures that the receipt of payment and distribution of medical cannabis flower and medical cannabinoid products are visually recorded by a closed-circuit television surveillance camera and provides any other necessary security safeguards;

(3) the medical cannabis retailer does not store medical cannabis flower or medical cannabinoid products outside a restricted access area and staff transport medical cannabis flower and medical cannabinoid products from a restricted access area to the designated zone for distribution only after confirming that the patient, designated caregiver, or parent, guardian, or spouse has arrived in the designated zone;

(4) the payment and distribution of medical cannabis flower and medical cannabinoid products take place only after a pharmacist consultation takes place, if required under subdivision 3;

(5) immediately following distribution of medical cannabis flower or medical cannabinoid products, staff enter the transaction in the statewide monitoring system; and

(6) immediately following distribution of medical cannabis flower and medical cannabinoid products, staff take the payment received into the facility.

Subd. 6. **Physical separation required.** A medical cannabis retailer that is also a cannabis retailer must distribute medical cannabis flower and medical cannabinoid products provided that the portion of the premises in which medical cannabis flower and medical cannabinoid products are sold is definite and distinct from all other areas of the cannabis retailer, is accessed through a distinct entrance, and provides an appropriate space for a pharmacist employee of the medical cannabis retailer to consult with the patient to determine the proper type of medical cannabis flower and medical cannabinoid products and proper dosage for the patient.

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

Sec. 52. **[342.50] TRIBAL MEDICAL CANNABIS PROGRAM.**

Subdivision 1. **Tribal medical cannabis program manufacturer transportation.** (a) A Tribal medical cannabis program manufacturer may transport medical cannabis to testing laboratories in the state and to other Indian lands.

(b) A Tribal medical cannabis program manufacturer must staff a motor vehicle used to transport medical cannabis with at least two employees of the manufacturer. Each employee in the transport vehicle must carry identification specifying that the employee is an employee of the manufacturer, and one employee in the transport vehicle must carry a detailed transportation manifest that includes the place and time of departure, the address of the destination, and a description and count of the medical cannabis being transported.

Subd. 2. **Distribution to Tribal medical cannabis program patient.** (a) A Tribal medical cannabis manufacturer may distribute medical cannabis in accordance with section 342.49 to a Tribal medical cannabis program patient.

(b) Prior to distribution, the Tribal medical cannabis program patient must provide to the Tribal medical cannabis manufacturer:

(1) a valid medical cannabis registration verification card or equivalent document issued by a Tribal medical cannabis program that indicates that the Tribal medical cannabis program patient is authorized to use medical cannabis on Indian lands over which the Tribe has jurisdiction; and

(2) a valid photographic identification card issued by the Tribal medical cannabis program, a valid driver's license, or a valid state identification card.

(c) A manufacturer shall distribute medical cannabis to a Tribal medical cannabis program patient only in a form allowed under section 342.51, subdivision 8.

Subd. 3. **Use of statewide monitoring system.** A Tribal medical cannabis manufacturer must use the statewide monitoring system for the tracking of the sale or distribution of medical cannabis to Tribal medical cannabis program patients. Sale or distribution of medical cannabis by a Tribal medical cannabis manufacturer must be recorded in the statewide monitoring system within the time established by rule.

Subd. 4. **Limitations.** All the limitations under section 342.55 apply to Tribal medical cannabis program patients.

Subd. 5. **Protections for Tribal medical cannabis program participants.** All the protections under section 342.56 apply to Tribal medical cannabis program patients.

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

Sec. 53. **[342.51] PATIENT REGISTRY PROGRAM.**

Subdivision 1. **Administration.** The Division of Medical Cannabis must administer the medical cannabis registry program.

Subd. 2. **Application procedure for patients.** (a) A patient seeking to enroll in the registry program must submit to the Division of Medical Cannabis an application established by the Division of Medical Cannabis and a copy of the certification specified in paragraph (b) or, if the patient is a

veteran who receives care from the United States Department of Veterans Affairs, the information required pursuant to subdivision 3. The patient must provide at least the following information in the application:

(1) the patient's name, mailing address, and date of birth;

(2) the name, mailing address, and telephone number of the patient's health care practitioner;

(3) the name, mailing address, and date of birth of the patient's registered designated caregiver, if any, or the patient's parent, legal guardian, or spouse if the parent, legal guardian, or spouse will be acting as the patient's caregiver;

(4) a disclosure signed by the patient that includes:

(i) a statement that, notwithstanding any law to the contrary, the Office of Cannabis Management, the Division of Medical Cannabis, or an employee of the Office of Cannabis Management or Division of Medical Cannabis may not be held civilly or criminally liable for any injury, loss of property, personal injury, or death caused by an act or omission while acting within the employee's scope of office or employment under this section; and

(ii) the patient's acknowledgment that enrollment in the registry program is conditional on the patient's agreement to meet all other requirements of this section; and

(5) all other information required by the Division of Medical Cannabis.

(b) As part of the application under this subdivision, a patient must submit a copy of a certification from the patient's health care practitioner that is dated within 90 days prior to the submission of the application and that certifies that the patient has been diagnosed with a qualifying medical condition.

(c) A patient's health care practitioner may submit a statement to the Division of Medical Cannabis declaring that the patient is no longer diagnosed with a qualifying medical condition. Within 30 days after receipt of a statement from a patient's health care practitioner, the Division of Medical Cannabis must provide written notice to a patient stating that the patient's enrollment in the registry program will be revoked in 30 days unless the patient submits a certification from a health care practitioner that the patient is currently diagnosed with a qualifying medical condition or, if the patient is a veteran, the patient submits confirmation that the patient is currently diagnosed with a qualifying medical condition in a form and manner consistent with the information required for an application made pursuant to subdivision 3. If the Division of Medical Cannabis revokes a patient's enrollment in the registry program pursuant to this paragraph, the division must provide notice to the patient and to the patient's health care practitioner.

Subd. 3. Application procedure for veterans. (a) The Division of Medical Cannabis shall establish an alternative certification procedure for veterans who receive care from the United States Department of Veterans Affairs to confirm that the veteran has been diagnosed with a qualifying medical condition.

(b) A patient who is also a veteran and is seeking to enroll in the registry program must submit to the Division of Medical Cannabis an application established by the Division of Medical Cannabis that includes the information identified in subdivision 2, paragraph (a), and the additional information

required by the Division of Medical Cannabis to certify that the patient has been diagnosed with a qualifying medical condition.

Subd. 4. **Enrollment; denial of enrollment; revocation.** (a) Within 30 days after the receipt of an application and certification or other documentation of a diagnosis with a qualifying medical condition, the Division of Medical Cannabis must approve or deny a patient's enrollment in the registry program. If the Division of Medical Cannabis approves a patient's enrollment in the registry program, the office must provide notice to the patient and to the patient's health care practitioner.

(b) A patient's enrollment in the registry program must only be denied if the patient:

(1) does not submit a certification from a health care practitioner or, if the patient is a veteran, the documentation required under subdivision 3 that the patient has been diagnosed with a qualifying medical condition;

(2) has not signed the disclosure required in subdivision 2;

(3) does not provide the information required by the Division of Medical Cannabis;

(4) provided false information on the application; or

(5) at the time of application, is also enrolled in a federally approved clinical trial for the treatment of a qualifying medical condition with medical cannabis.

(c) If the Division of Medical Cannabis denies a patient's enrollment in the registry program, the Division of Medical Cannabis must provide written notice to a patient of all reasons for denying enrollment. Denial of enrollment in the registry program is considered a final decision of the office and is subject to judicial review under chapter 14.

(d) A patient's enrollment in the registry program may be revoked only:

(1) pursuant to subdivision 2, paragraph (c);

(2) upon the death of the patient;

(3) if the patient's certifying health care practitioner has filed a declaration under subdivision 2, paragraph (c), that the patient's qualifying diagnosis no longer exists and the patient does not submit another certification within 30 days;

(4) if the patient does not comply with subdivision 6; or

(5) if the patient intentionally sells or diverts medical cannabis flower or medical cannabinoid products in violation of this chapter.

If a patient's enrollment in the registry program has been revoked due to a violation of subdivision 6, the patient may apply for enrollment 12 months after the date on which the patient's enrollment was revoked. The office must process such an application in accordance with this subdivision.

Subd. 5. **Registry verification.** When a patient is enrolled in the registry program, the Division of Medical Cannabis must assign the patient a patient registry number and must issue the patient

and the patient's registered designated caregiver, parent, legal guardian, or spouse, if applicable, a registry verification. The Division of Medical Cannabis must also make the registry verification available to medical cannabis retailers. The registry verification must include:

(1) the patient's name and date of birth;

(2) the patient registry number assigned to the patient; and

(3) the name and date of birth of the patient's registered designated caregiver, if any, or the name of the patient's parent, legal guardian, or spouse if the parent, legal guardian, or spouse will act as a caregiver.

Subd. 6. **Conditions of continued enrollment.** As conditions of continued enrollment, a patient must:

(1) continue to receive regularly scheduled treatment for the patient's qualifying medical condition from the patient's health care practitioner; and

(2) report changes in the patient's qualifying medical condition to the patient's health care practitioner.

Subd. 7. **Enrollment period.** Enrollment in the registry program is permanent.

Subd. 8. **Medical cannabis flower and medical cannabinoid products; allowable delivery methods.** Medical cannabis flower and medical cannabinoid products may be delivered in the form of:

(1) a liquid, including but not limited to oil;

(2) a pill;

(3) a vaporized delivery method with the use of liquid or oil;

(4) a water-soluble cannabinoid multiparticulate, including granules, powder, and sprinkles;

(5) an orally dissolvable product, including lozenges, gum, mints, buccal tablets, and sublingual tablets;

(6) edible products in the form of gummies and chews;

(7) a topical formulation;

(8) combustion with the use of dried raw cannabis; or

(9) any other method approved by the office.

Subd. 9. **Registered designated caregiver.** (a) The Division of Medical Cannabis must register a designated caregiver for a patient if the patient requires assistance in administering medical cannabis flower or medical cannabinoid products or in obtaining medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia from a medical cannabis retailer.

(b) In order to serve as a designated caregiver, a person must:

(1) be at least 18 years of age;

(2) agree to only possess the patient's medical cannabis flower and medical cannabinoid products for purposes of assisting the patient; and

(3) agree that if the application is approved, the person will not serve as a registered designated caregiver for more than six registered patients at one time. Patients who reside in the same residence count as one patient.

(c) The office shall conduct a criminal background check on the designated caregiver prior to registration to ensure that the person does not have a conviction for a disqualifying felony offense. Any cost of the background check shall be paid by the person seeking registration as a designated caregiver. A designated caregiver must have the criminal background check renewed every two years.

(d) Nothing in this section shall be construed to prevent a registered designated caregiver from being enrolled in the registry program as a patient and possessing and administering medical cannabis as a patient.

Subd. 10. **Parents, legal guardians, spouses.** A parent, legal guardian, or spouse of a patient may act as the caregiver for a patient. The parent, legal guardian, or spouse who is acting as a caregiver must follow all requirements for parents, legal guardians, and spouses under this chapter. Nothing in this section limits any legal authority that a parent, legal guardian, or spouse may have for the patient under any other law.

Subd. 11. **Enrollment fee.** (a) The Division of Cannabis Management must collect an enrollment fee of \$40 from a patient enrolled under this section.

(b) Revenue collected under this subdivision shall deposit to a dedicated account in the special revenue fund. The balance of the account shall be appropriated annually to the administrator of the office for program operations.

Subd. 12. **Notice of change of name or address.** Patients and registered designated caregivers must notify the Division of Medical Cannabis of any address or name change within 30 days of the change having occurred. A patient or registered designated caregiver is subject to a \$100 fine for failure to notify the office of the change.

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

Sec. 54. **[342.52] DUTIES OF OFFICE OF CANNABIS MANAGEMENT; REGISTRY PROGRAM.**

The office may add an allowable form of medical cannabinoid product, and may add or modify a qualifying medical condition upon its own initiative, upon a petition from a member of the public or from the Cannabis Advisory Council or as directed by law. The office must evaluate all petitions and must make the addition or modification if the office determines that the addition or modification is warranted by the best available evidence and research. If the office wishes to add an allowable

form or add or modify a qualifying medical condition, the office must notify the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health finance and policy by January 15 of the year in which the change becomes effective. In this notification, the office must specify the proposed addition or modification, the reasons for the addition or modification, any written comments received by the office from the public about the addition or modification, and any guidance received from the Cannabis Advisory Council. An addition or modification by the office under this subdivision becomes effective on August 1 of that year unless the legislature by law provides otherwise.

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

Sec. 55. **[342.53] DUTIES OF DIVISION OF MEDICAL CANNABIS; REGISTRY PROGRAM.**

Subdivision 1. **Duties related to health care practitioners.** The Division of Medical Cannabis must:

- (1) provide notice of the registry program to health care practitioners in the state;
- (2) allow health care practitioners to participate in the registry program if they request to participate and meet the program's requirements;
- (3) provide explanatory information and assistance to health care practitioners to understand the nature of the therapeutic use of medical cannabis within program requirements;
- (4) make available to participating health care practitioners a certification form in which a health care practitioner certifies that a patient has a qualifying medical condition; and
- (5) supervise the participation of health care practitioners in the registry reporting system in which health care practitioners report patient treatment and health records information to the office in a manner that ensures stringent security and record keeping requirements and that prevents the unauthorized release of private data on individuals as defined in section 13.02.

Subd. 2. **Duties related to the registry program.** The Division of Medical Cannabis must:

- (1) administer the registry program according to section 342.51;
- (2) provide information to patients enrolled in the registry program on the existence of federally approved clinical trials for the treatment of the patient's qualifying medical condition with medical cannabis flower or medical cannabinoid products as an alternative to enrollment in the registry program;
- (3) maintain safety criteria with which patients must comply as a condition of participation in the registry program to prevent patients from undertaking any task under the influence of medical cannabis flower or medical cannabinoid products that would constitute negligence or professional malpractice;
- (4) review and publicly report on existing medical and scientific literature regarding the range of recommended dosages for each qualifying medical condition, the range of chemical compositions of medical cannabis flower and medical cannabinoid products that will likely be medically beneficial

for each qualifying medical condition, and any risks of noncannabis drug interactions. This information must be updated by December 1 of each year. The office may consult with an independent laboratory under contract with the office or other experts in reporting and updating this information; and

(5) annually consult with cannabis businesses about medical cannabis that the businesses cultivate, manufacture, and offer for sale and post on the Division of Medical Cannabis website a list of the medical cannabis flower and medical cannabinoid products offered for sale by each medical cannabis retailer.

Subd. 3. **Research.** (a) The Division of Medical Cannabis must conduct or contract with a third party to conduct research and studies using data from health records submitted to the registry program under section 342.54, subdivision 2, and data submitted to the registry program under section 342.51, subdivisions 2 and 3. If the division contracts with a third party for research and studies, the third party must provide the division with access to all research and study results. The division must submit reports on intermediate or final research results to the legislature and major scientific journals. All data used by the division or a third party under this subdivision must be used or reported in an aggregated nonidentifiable form as part of a scientific peer-reviewed publication of research or in the creation of summary data, as defined in section 13.02, subdivision 19.

(b) The Division of Medical Cannabis may submit medical research based on the data collected under sections 342.54, subdivision 2, and data collected through the statewide monitoring system to any federal agency with regulatory or enforcement authority over medical cannabis to demonstrate the effectiveness of medical cannabis flower or medical cannabinoid products for treating or alleviating the symptoms of a qualifying medical condition.

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

Sec. 56. **[342.54] DUTIES OF HEALTH CARE PRACTITIONERS; REGISTRY PROGRAM.**

Subdivision 1. **Health care practitioner duties before patient enrollment.** Before a patient's enrollment in the registry program, a health care practitioner must:

(1) determine, in the health care practitioner's medical judgment, whether a patient has a qualifying medical condition and, if so determined, provide the patient with a certification of that diagnosis;

(2) advise patients, registered designated caregivers, and parents, legal guardians, and spouses acting as caregivers of any nonprofit patient support groups or organizations;

(3) provide to patients explanatory information from the Division of Medical Cannabis, including information about the experimental nature of the therapeutic use of medical cannabis flower and medical cannabinoid products; the possible risks, benefits, and side effects of the proposed treatment; and the application and other materials from the office;

(4) provide to patients a Tennessee warning as required under section 13.04, subdivision 2; and

(5) agree to continue treatment of the patient's qualifying medical condition and to report findings to the Division of Medical Cannabis.

Subd. 2. **Duties upon patient's enrollment in registry program.** Upon receiving notification from the Division of Medical Cannabis of the patient's enrollment in the registry program, a health care practitioner must:

(1) participate in the patient registry reporting system under the guidance and supervision of the Division of Medical Cannabis;

(2) report to the Division of Medical Cannabis patient health records throughout the patient's ongoing treatment in a manner determined by the office and in accordance with subdivision 4;

(3) determine on a yearly basis if the patient continues to have a qualifying medical condition and, if so, issue the patient a new certification of that diagnosis. The patient assessment conducted under this clause may be conducted via telehealth, as defined in section 62A.673, subdivision 2; and

(4) otherwise comply with requirements established by the Office of Cannabis Management and the Division of Medical Cannabis.

Subd. 3. **Participation not required.** Nothing in this section requires a health care practitioner to participate in the registry program.

Subd. 4. **Data.** Data on patients collected by a health care practitioner and reported to the registry program, including data on patients who are veterans who receive care from the United States Department of Veterans Affairs, are health records under section 144.291 and are private data on individuals under section 13.02 but may be used or reported in an aggregated nonidentifiable form as part of a scientific peer-reviewed publication of research conducted under section 342.53 or in the creation of summary data, as defined in section 13.02, subdivision 19.

Subd. 5. **Exception.** The requirements of this section do not apply to a patient who is a veteran who receives care from the United States Department of Veterans Affairs or a health care practitioner employed by the United States Department of Veterans Affairs. Such a patient must meet the certification requirements developed pursuant to section 342.51, subdivision 3, before the patient's enrollment in the registry program. The Division of Medical Cannabis may establish policies and procedures to obtain medical records and other relevant data from a health care practitioner employed by the United States Department of Veterans Affairs, provided that those policies and procedures are consistent with this section.

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

Sec. 57. **[342.55] LIMITATIONS.**

Subdivision 1. **Limitations on consumption; locations of consumption.** Nothing in sections 342.47 to 342.59 permits any person to engage in, and does not prevent the imposition of any civil, criminal, or other penalties for:

(1) undertaking a task under the influence of medical cannabis that would constitute negligence or professional malpractice;

(2) possessing or consuming medical cannabis:

(i) on a school bus or van; or

(ii) in a correctional facility;

(3) vaporizing or smoking medical cannabis:

(i) on any form of public transportation;

(ii) where the vapor would be inhaled by a nonpatient minor or where the smoke would be inhaled by a minor; or

(iii) in any public place, including any indoor or outdoor area used by or open to the general public or a place of employment, as defined in section 144.413, subdivision 1b; and

(4) operating, navigating, or being in actual physical control of a motor vehicle, aircraft, train, or motorboat or working on transportation property, equipment, or facilities while under the influence of medical cannabis or a medical cannabis product.

Subd. 2. **Health care facilities.** (a) Health care facilities licensed under chapter 144A; hospice providers licensed under chapter 144A; boarding care homes or supervised living facilities licensed under section 144.50; assisted living facilities under chapter 144G; facilities owned, controlled, managed, or under common control with hospitals licensed under chapter 144; and other health care facilities licensed by the commissioner of health or the commissioner of human services may adopt reasonable restrictions on the use of medical cannabis flower or medical cannabinoid products by a patient enrolled in the registry program who resides at or is actively receiving treatment or care at the facility. The restrictions may include a provision that the facility must not store or maintain a patient's supply of medical cannabis flower or medical cannabinoid products on behalf of the patient; that a patient store the patient's supply of medical cannabis flower or medicinal cannabinoid products in a locked container accessible only to the patient, the patient's designated caregiver, or the patient's parent, legal guardian, or spouse; that the facility is not responsible for providing medical cannabis for patients; and that medical cannabis flower or medical cannabinoid products are used only in a location specified by the facility or provider. Nothing in this subdivision requires facilities and providers listed in this subdivision to adopt such restrictions.

(b) No facility or provider listed in this subdivision may unreasonably limit a patient's access to or use of medical cannabis flower or medical cannabinoid products to the extent that such use is authorized under sections 342.47 to 342.59. No facility or provider listed in this subdivision may prohibit a patient access to or use of medical cannabis flower or medical cannabinoid products due solely to the fact that cannabis is a Schedule I drug pursuant to the federal Uniform Controlled Substances Act. If a federal regulatory agency, the United States Department of Justice, or the federal Centers for Medicare and Medicaid Services takes one of the following actions, a facility or provider may suspend compliance with this paragraph until the regulatory agency, the United States Department of Justice, or the federal Centers for Medicare and Medicaid Services notifies the facility

or provider that it may resume permitting the use of medical cannabis flower or medical cannabinoid products within the facility or in the provider's service setting:

(1) a federal regulatory agency or the United States Department of Justice initiates enforcement action against a facility or provider related to the facility's compliance with the medical cannabis program; or

(2) a federal regulatory agency, the United States Department of Justice, or the federal Centers for Medicare and Medicaid Services issues a rule or otherwise provides notification to the facility or provider that expressly prohibits the use of medical cannabis in health care facilities or otherwise prohibits compliance with the medical cannabis program.

(c) An employee or agent of a facility or provider listed in this subdivision or a person licensed under chapter 144E is not violating this chapter or chapter 152 for the possession of medical cannabis flower or medical cannabinoid products while carrying out employment duties, including providing or supervising care to a patient enrolled in the registry program, or distribution of medical cannabis flower or medical cannabinoid products to a patient enrolled in the registry program who resides at or is actively receiving treatment or care at the facility or from the provider with which the employee or agent is affiliated.

Subd. 3. **Child care facilities.** A proprietor of a family or group family day care program must disclose to parents or guardians of children cared for on the premises of the family or group family day care program, if the proprietor permits the smoking or use of medical cannabis on the premises, outside of its hours of operation. Disclosure must include posting on the premises a conspicuous written notice and orally informing parents or guardians.

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

Sec. 58. **[342.56] PROTECTIONS FOR REGISTRY PROGRAM PARTICIPANTS.**

Subdivision 1. **Presumption.** There is a presumption that a patient enrolled in the registry program is engaged in the authorized use of medical cannabis flower and medical cannabinoid products. This presumption may be rebutted by evidence that the patient's use of medical cannabis flower or medical cannabinoid products was not for the purpose of treating or alleviating the patient's qualifying medical condition or symptoms associated with the patient's qualifying medical condition.

Subd. 2. **Criminal and civil protections.** (a) Subject to section 342.55, the following are not violations of this chapter or chapter 152:

(1) use or possession of medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia by a patient enrolled in the registry program or by a visiting patient to whom medical cannabis is distributed under section 342.49, subdivision 5;

(2) possession of medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia by a registered designated caregiver or a parent, legal guardian, or spouse of a patient enrolled in the registry program; or

(3) possession of medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia by any person while carrying out duties required under sections 342.47 to 342.59.

(b) The Office of Cannabis Management, members of the Cannabis Advisory Council, Office of Cannabis Management employees, agents or contractors of the Office of Cannabis Management, and health care practitioners participating in the registry program are not subject to any civil penalties or disciplinary action by the Board of Medical Practice, the Board of Nursing, or any business, occupational, or professional licensing board or entity solely for participating in the registry program either in a professional capacity or as a patient. A pharmacist licensed under chapter 151 is not subject to any civil penalties or disciplinary action by the Board of Pharmacy when acting in accordance with sections 342.47 to 342.59 either in a professional capacity or as a patient. Nothing in this section prohibits a professional licensing board from taking action in response to a violation of law.

(c) Notwithstanding any law to the contrary, a Cannabis Advisory Council member, the governor, or an employee of a state agency must not be held civilly or criminally liable for any injury, loss of property, personal injury, or death caused by any act or omission while acting within the scope of office or employment under sections 342.47 to 342.59.

(d) Federal, state, and local law enforcement authorities are prohibited from accessing the registry except when acting pursuant to a valid search warrant. Notwithstanding section 13.09, a violation of this paragraph is a gross misdemeanor.

(e) Notwithstanding any law to the contrary, the office and employees of the office must not release data or information about an individual contained in any report or document or in the registry and must not release data or information obtained about a patient enrolled in the registry program, except as provided in sections 342.47 to 342.59. Notwithstanding section 13.09, a violation of this paragraph is a gross misdemeanor.

(f) No information contained in a report or document, contained in the registry, or obtained from a patient under sections 342.47 to 342.59 may be admitted as evidence in a criminal proceeding, unless:

(1) the information is independently obtained; or

(2) admission of the information is sought in a criminal proceeding involving a criminal violation of sections 342.47 to 342.59.

(g) Possession of a registry verification or an application for enrollment in the registry program:

(1) does not constitute probable cause or reasonable suspicion;

(2) must not be used to support a search of the person or property of the person with a registry verification or application to enroll in the registry program; and

(3) must not subject the person or the property of the person to inspection by any government agency.

Subd. 3. School enrollment; rental property. (a) No school may refuse to enroll a patient as a pupil or otherwise penalize a patient solely because the patient is enrolled in the registry program, unless failing to do so would violate federal law or regulations or cause the school to lose a monetary or licensing-related benefit under federal law or regulations.

(b) No landlord may refuse to lease to a patient or otherwise penalize a patient solely because the patient is enrolled in the registry program, unless failing to do so would violate federal law or regulations or cause the landlord to lose a monetary or licensing-related benefit under federal law or regulations.

Subd. 4. **Medical care.** For purposes of medical care, including organ transplants, a patient's use of medical cannabis according to sections 342.47 to 342.59 is considered the equivalent of the authorized use of a medication used at the discretion of a health care practitioner and does not disqualify a patient from needed medical care.

Subd. 5. **Employment.** (a) Unless a failure to do so would violate federal or state law or regulations or cause an employer to lose a monetary or licensing-related benefit under federal law or regulations, an employer may not discriminate against a person in hiring, termination, or any term or condition of employment, or otherwise penalize a person, if the discrimination is based on:

(1) the person's status as a patient enrolled in the registry program; or

(2) a patient's positive drug test for cannabis components or metabolites, unless the patient used, possessed, sold, transported, or was impaired by medical cannabis flower or a medical cannabinoid product on work premises, during working hours, or while operating an employer's machinery, vehicle, or equipment.

(b) An employee who is a patient and whose employer requires the employee to undergo drug testing according to section 181.953 may present the employee's registry verification as part of the employee's explanation under section 181.953, subdivision 6.

Subd. 6. **Custody; visitation; parenting time.** A person must not be denied custody of a minor child or visitation rights or parenting time with a minor child based solely on the person's status as a patient enrolled in the registry program. There must be no presumption of neglect or child endangerment for conduct allowed under sections 342.47 to 342.59, unless the person's behavior creates an unreasonable danger to the safety of the minor as established by clear and convincing evidence.

Subd. 7. **Action for damages.** In addition to any other remedy provided by law, a patient may bring an action for damages against any person who violates subdivision 3, 4, or 5. A person who violates subdivision 3, 4, or 5 is liable to a patient injured by the violation for the greater of the person's actual damages or a civil penalty of \$100 and reasonable attorney fees.

Subd. 8. **Sanctions restricted for those on parole, supervised release, or conditional release.** (a) This subdivision applies to an individual placed on parole, supervised release, or conditional release.

(b) The commissioner of corrections may not:

(1) prohibit an individual from participating in the registry program as a condition of release;
or

(2) revoke an individual's parole, supervised release, or conditional release or otherwise sanction an individual solely:

(i) for participating in the registry program; or

(ii) for a positive drug test for cannabis components or metabolites.

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

Sec. 59. [342.57] VIOLATION BY HEALTH CARE PRACTITIONER; CRIMINAL PENALTY.

A health care practitioner who knowingly refers patients to a medical cannabis business or to a designated caregiver, who advertises as a retailer or producer of medical cannabis flower or medical cannabinoid products, or who issues certifications while holding a financial interest in a cannabis retailer or medical cannabis business is guilty of a misdemeanor and may be sentenced to imprisonment for not more than 90 days or to payment of not more than \$1,000, or both.

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

Sec. 60. [342.58] DATA PRACTICES.

Subdivision 1. **Data classification.** Patient health records maintained by the Office of Cannabis Management or the Division of Medical Cannabis and government data in patient health records maintained by a health care practitioner are classified as private data on individuals, as defined in section 13.02, subdivision 12, or nonpublic data, as defined in section 13.02, subdivision 9.

Subd. 2. **Allowable use; prohibited use.** Data specified in subdivision 1 may be used to comply with chapter 13, to comply with a request from the legislative auditor or the state auditor in the performance of official duties, and for purposes specified in sections 342.47 to 342.59. Data specified in subdivision 1 and maintained by the Office of Cannabis Management or Division of Medical Cannabis must not be used for any purpose not specified in sections 342.47 to 342.59 and must not be combined or linked in any manner with any other list, dataset, or database. Data specified in subdivision 1 must not be shared with any federal agency, federal department, or federal entity unless specifically ordered to do so by a state or federal court.

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

Sec. 61. [342.59] CLINICAL TRIALS.

The Division of Medical Cannabis may conduct or award grants to health care providers or research organizations to conduct clinical trials on the safety and efficacy of using medical cannabis flower or medical cannabinoid products to treat a specific health condition. A health care provider or research organization receiving a grant under this section must provide the office with access to all data collected in a clinical trial funded under this section. The office may use data from clinical trials conducted or funded under this section as evidence to approve additional qualifying medical conditions or additional allowable forms of medical cannabis.

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

Sec. 62. [342.60] TESTING.

Subdivision 1. **Testing required.** Cannabis businesses and hemp businesses shall not sell or offer for sale cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products to another cannabis business, hemp business, or to a customer or patient or otherwise transfer cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products to another cannabis business, unless:

(1) a representative sample of the batch of cannabis flower, cannabis product, synthetically derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product has been tested according to this section and rules adopted under this chapter;

(2) the testing was completed by a cannabis testing facility licensed under this chapter; and

(3) the tested sample of cannabis flower, cannabis product, synthetically derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product was found to meet testing standards established by the office.

Subd. 2. **Procedures and standards established by office.** (a) The office shall by rule establish procedures governing:

(1) the sampling, handling, testing, storage, and transportation of cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products tested under this section;

(2) the contaminants for which cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products must be tested;

(3) standards for potency and homogeneity testing; and

(4) procedures applicable to cannabis businesses, hemp businesses, and cannabis testing facilities regarding cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products that fail to meet the standards for allowable levels of contaminants established by the office, that fail to meet the potency limits in this chapter or that do not conform with the content of the cannabinoid profile listed on the label.

(b) All testing required under this section must be performed in a manner that is consistent with general requirements for testing and calibration activities.

Subd. 3. **Standards established by Office of Cannabis Management.** The office shall by rule establish standards for allowable levels of contaminants in cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, hemp-derived consumer products, and growing media. Contaminants for which the office must establish allowable levels must include but are not limited to residual solvents, foreign material, microbiological contaminants, heavy metals, pesticide residue, and mycotoxins.

Subd. 4. **Testing of samples; disclosures.** (a) On a schedule determined by the office, every cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, medical cannabis cultivator, or medical cannabis processor shall make each batch of

cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products grown, manufactured, or imported by the cannabis business or hemp business available to a cannabis testing facility.

(b) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, medical cannabis cultivator, or medical cannabis processor must disclose all known information regarding pesticides, fertilizers, solvents, or other foreign materials, including but not limited to catalysts used in creating synthetically derived cannabinoids, applied or added to the batch of cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edible, or hemp-derived consumer products subject to testing. Disclosure must be made to the cannabis testing facility and must include information about all applications by any person, whether intentional or accidental.

(c) The cannabis testing facility shall select one or more representative samples from each batch, test the samples for the presence of contaminants, and test the samples for potency and homogeneity and to allow the cannabis flower, cannabis product, synthetically derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product to be accurately labeled with its cannabinoid profile. Testing for contaminants must include testing for residual solvents, foreign material, microbiological contaminants, heavy metals, pesticide residue, mycotoxins, and any items identified pursuant to paragraph (b), and may include testing for other contaminants. A cannabis testing facility must destroy or return to the cannabis business or hemp business any part of the sample that remains after testing.

Subd. 5. **Test results.** (a) If a sample meets the applicable testing standards, a cannabis testing facility shall issue a certification to a cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, medical cannabis cultivator, or medical cannabis processor, and the cannabis business or hemp business may then sell or transfer the batch of cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products from which the sample was taken to another cannabis business or hemp business, or offer the cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products for sale to customers or patients. If a sample does not meet the applicable testing standards or if the testing facility is unable to test for a substance identified pursuant to subdivision 4, paragraph (b), the batch from which the sample was taken shall be subject to procedures established by the office for such batches, including destruction, remediation, or retesting.

(b) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, medical cannabis cultivator, or medical cannabis processor must maintain the test results for cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products grown, manufactured, or imported by that cannabis business or hemp business for at least five years after the date of testing.

(c) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, medical cannabis cultivator, or medical cannabis processor shall make test

results maintained by that cannabis business or hemp business available for review by any member of the public upon request. Test results made available to the public must be in plain language.

Sec. 63. **[342.61] PACKAGING.**

Subdivision 1. **General.** All cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products sold to customers or patients must be packaged as required by this section and rules adopted under this chapter.

Subd. 2. **Packaging requirements.** (a) Except as provided in paragraph (b), all cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products sold to customers or patients must be:

(1) prepackaged in packaging or a container that is child-resistant, tamper-evident, and opaque;
or

(2) placed in packaging or a container that is plain, child-resistant, tamper-evident, and opaque at the final point of sale to a customer.

(b) The requirement that packaging be child-resistant does not apply to:

(1) a hemp-derived topical product; or

(2) a lower-potency hemp edible that:

(i) contains nonintoxicating cannabinoids;

(ii) does not contain more than a combined total of 0.25 milligrams of intoxicating cannabinoids;
and

(iii) does not contain a synthetically derived cannabinoid.

(c) If a cannabis product, lower-potency hemp edible, or a hemp-derived consumer product is packaged in a manner that includes more than a single serving, each serving must be indicated by scoring, wrapping, or other indicators designating the individual serving size. If the item is a lower-potency hemp edible, any indicator other than individual wrapping that designates the individual serving size must appear on the lower-potency hemp edible.

(d) An edible cannabis product or lower-potency hemp edible containing more than a single serving must be prepackaged or placed at the final point of sale in packaging or a container that is resealable.

Subd. 3. **Packaging prohibitions.** (a) Cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products sold to customers or patients must not be packaged in a manner that:

(1) bears a reasonable resemblance to any commercially available product that does not contain cannabinoids, whether the manufacturer of the product holds a registered trademark or has registered the trade dress; or

(2) is designed to appeal to persons under 21 years of age.

(b) Packaging for cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products must not contain or be coated with any perfluoroalkyl substance.

(c) Edible cannabis products and lower-potency hemp edibles must not be packaged in a material that is not approved by the United States Food and Drug Administration for use in packaging food.

Sec. 64. **[342.62] LABELING.**

Subdivision 1. **General.** All cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products sold to customers or patients must be labeled as required by this section and rules adopted under this chapter.

Subd. 2. **Content of label; cannabis.** All cannabis flower and hemp-derived consumer products that consist of hemp plant parts sold to customers or patients must have affixed on the packaging or container of the cannabis flower or hemp-derived consumer product a label that contains at least the following information:

(1) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, medical cannabis cultivator, or industrial hemp grower where the cannabis flower or hemp plant part was cultivated;

(2) the net weight or volume of cannabis flower or hemp plant parts in the package or container;

(3) the batch number;

(4) the cannabinoid profile;

(5) a universal symbol established by the office indicating that the package or container contains cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(6) verification that the cannabis flower or hemp plant part was tested according to section 342.60 and that the cannabis flower or hemp plant part complies with the applicable standards;

(7) the maximum dose, quantity, or consumption that may be considered medically safe within a 24-hour period;

(8) the following statement: "Keep this product out of reach of children."; and

(9) any other statements or information required by the office.

Subd. 3. **Content of label; cannabis products.** (a) All cannabis products, lower-potency hemp edibles, hemp-derived consumer products other than products subject to the requirements under subdivision 2, medical cannabinoid products, and hemp-derived topical products sold to customers or patients must have affixed to the packaging or container of the cannabis product a label that contains at least the following information:

(1) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, medical cannabis cultivator, or industrial hemp grower that cultivated the cannabis flower or hemp plant parts used in the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product;

(2) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, lower-potency hemp edible manufacturer, medical cannabis processor, or industrial hemp grower that manufactured the cannabis concentrate or synthetically derived cannabinoid and if different, the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, lower-potency hemp edible manufacturer, or medical cannabis processor that manufactured the cannabinoid product;

(3) the net weight or volume of the cannabis product, lower-potency hemp edible, or hemp-derived consumer product in the package or container;

(4) the type of cannabis product, lower-potency hemp edible, or hemp-derived consumer product;

(5) the batch number;

(6) the serving size;

(7) the cannabinoid profile per serving and in total;

(8) a list of ingredients;

(9) a universal symbol established by the office indicating that the package or container contains cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(10) a warning symbol developed by the office in consultation with the commissioner of health and the Minnesota Poison Control System that:

(i) is at least three-quarters of an inch tall and six-tenths of an inch wide;

(ii) is in a highly visible color;

(iii) includes a visual element that is commonly understood to mean a person should stop;

(iv) indicates that the product is not for children; and

(v) includes the phone number of the Minnesota Poison Control System;

(11) verification that the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product was tested according to section 342.60 and that the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product complies with the applicable standards;

(12) the maximum dose, quantity, or consumption that may be considered medically safe within a 24-hour period;

(13) the following statement: "Keep this product out of reach of children."; and

(14) any other statements or information required by the office.

(b) The office may by rule establish alternative labeling requirements for lower-potency hemp edibles that are imported into the state provided that those requirements provide consumers with information that is substantially similar to the information described in paragraph (a).

Subd. 4. Additional content of label; medical cannabis flower and medical cannabinoid products. In addition to the applicable requirements for labeling under subdivision 2 or 3, all medical cannabis flower and medical cannabinoid products must include at least the following information on the label affixed to the packaging or container of the medical cannabis flower or medical cannabinoid product:

(1) the patient's name and date of birth;

(2) the name and date of birth of the patient's registered designated caregiver or, if listed on the registry verification, the name of the patient's parent, legal guardian, or spouse, if applicable; and

(3) the patient's registry identification number.

Subd. 5. Content of label; hemp-derived topical products. (a) All hemp-derived topical products sold to customers must have affixed to the packaging or container of the product a label that contains at least the following information:

(1) the manufacturer name, location, phone number, and website;

(2) the name and address of the independent, accredited laboratory used by the manufacturer to test the product;

(3) the net weight or volume of the product in the package or container;

(4) the type of topical product;

(5) the amount or percentage of cannabidiol, cannabigerol, or any other cannabinoid, derivative, or extract of hemp, per serving and in total;

(6) a list of ingredients;

(7) a statement that the product does not claim to diagnose, treat, cure, or prevent any disease and that the product has not been evaluated or approved by the United States Food and Drug Administration, unless the product has been so approved; and

(8) any other statements or information required by the office.

(b) The information required in paragraph (a), clauses (1), (2), and (5), may be provided through the use of a scannable barcode or matrix barcode that links to a page on a website maintained by the manufacturer or distributor if that page contains all of the information required by this subdivision.

Subd. 6. **Additional information.** A cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, or medical cannabis retailer must provide customers and patients with the following information by including the information on the label affixed to the packaging or container of cannabis flower, a cannabis product, or a hemp-derived consumer product; by posting the information in the premises of the cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, or medical cannabis retailer; by providing the information on a separate document or pamphlet provided to customers or patients when the customer purchases cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product:

(1) factual information about impairment effects and the expected timing of impairment effects, side effects, adverse effects, and health risks of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(2) a statement that customers and patients must not operate a motor vehicle or heavy machinery while under the influence of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(3) resources customers and patients may consult to answer questions about cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products, and any side effects and adverse effects;

(4) contact information for the poison control center and a safety hotline or website for customers to report and obtain advice about side effects and adverse effects of cannabis flower and cannabis products;

(5) substance abuse disorder treatment options; and

(6) any other information specified by the office.

All labels affixed to the packaging of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products sold to customers or patients must include the following warning: "Cannabis can harm your health, and your baby's health if you are pregnant."

Sec. 65. [342.63] ADVERTISEMENT.

Subdivision 1. **Limitations applicable to all advertisements.** No cannabis business, hemp business, or other person shall publish or cause to be published an advertisement for cannabis flower, a cannabis business, a hemp business, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product in a manner that:

(1) contains false or misleading statements;

(2) contains unverified claims about the health or therapeutic benefits or effects of consuming cannabis or a cannabis product;

(3) promotes the overconsumption of cannabis flower, cannabis products, or hemp-derived consumer products;

(4) depicts a person under 21 years of age consuming cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(5) includes an image designed or likely to appeal to individuals under 21 years of age, including cartoons, toys, animals, or children, or any other likeness to images, characters, or phrases that is designed to be appealing to individuals under 21 years of age or encourage consumption by individuals under 21 years of age; or

(6) does not contain a warning as specified by the office regarding impairment and health risks, including driving while impaired, side effects, adverse reactions, and pregnancy complications.

Subd. 2. Outdoor advertisements; cannabis business signs. (a) A cannabis business or hemp business may erect or utilize an outdoor advertisement of a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product.

(b) A cannabis business may erect up to two fixed outdoor signs on the exterior of the building or property of the cannabis business or hemp business. A fixed outdoor sign:

(1) may contain the name of the cannabis business or hemp business and the address and nature of the cannabis business or hemp business; and

(2) shall not include a logo or an image of any kind.

(c) All outdoor advertisements on land adjacent to an interstate or trunk highway must comply with the requirements of chapter 173.

Subd. 3. Audience under 21 years of age. Except as provided in subdivision 2, a cannabis business, hemp business, or other person shall not publish or cause to be published an advertisement for a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product in any print publication or on radio, television, or any other medium if 30 percent or more of the audience of that medium is reasonably expected to be individuals who are under 21 years of age, as determined by reliable, current audience composition data.

Subd. 4. Certain unsolicited advertising. A cannabis business, hemp business, or another person shall not utilize unsolicited pop-up advertisements on the internet to advertise a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product.

Subd. 5. Advertising using direct, individualized communication or dialogue. Before a cannabis business, hemp business, or another person may advertise a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product through direct, individualized communication or dialogue controlled by the cannabis business, hemp business, or other person, the cannabis business, hemp business, or other person must use a method of age affirmation to verify that the recipient of the direct, individualized communication or dialogue is 21 years of age or older. For purposes of this subdivision, the method of age affirmation may include user confirmation, birth date disclosure, or another similar registration method.

Subd. 6. Advertising using location-based devices. A cannabis business, hemp business, or another person shall not advertise a cannabis business, a hemp business, cannabis flower, a cannabis

product, a lower-potency hemp edible, or a hemp-derived consumer product with advertising directed toward location-based devices, including but not limited to cellular telephones, unless the owner of the device is 21 years of age or older.

Subd. 7. **Advertising restrictions for health care practitioners under the medical cannabis program.** (a) A health care practitioner shall not publish or cause to be published an advertisement that:

(1) contains false or misleading statements about the registry program;

(2) uses colloquial terms to refer to medical cannabis flower or medical cannabinoid products, such as pot, weed, or grass;

(3) states or implies that the health care practitioner is endorsed by the office, the Division of Medical Cannabis, or the registry program;

(4) includes images of cannabis flower, hemp plant parts, or images of paraphernalia commonly used to smoke cannabis flower;

(5) contains medical symbols that could reasonably be confused with symbols of established medical associations or groups; or

(6) does not contain a warning as specified by the office regarding impairment and health risks, including driving while impaired, side effects, adverse reactions, and pregnancy complications.

(b) A health care practitioner found by the office to have violated this subdivision is prohibited from certifying that patients have a qualifying medical condition for purposes of patient participation in the registry program. A decision by the office that a health care practitioner has violated this subdivision is a final decision and is not subject to the contested case procedures in chapter 14.

Sec. 66. **[342.64] INDUSTRIAL HEMP.**

Nothing in this chapter shall limit the ability of a person licensed under chapter 18K to grow industrial hemp for commercial or research purposes, process industrial hemp for commercial purposes, sell hemp fiber products and hemp grain, manufacture hemp-derived topical products, or perform any other actions authorized by the commissioner of agriculture. For purposes of this section, "processing" has the meaning given in section 18K.02, subdivision 5, and does not include the process of creating synthetically derived cannabinoids.

Sec. 67. **[342.65] LEGAL ASSISTANCE TO CANNABIS BUSINESSES.**

An attorney must not be subject to disciplinary action by the Minnesota Supreme Court or professional responsibility board for providing legal assistance to prospective or licensed cannabis businesses, hemp businesses, or others for activities that do not violate this chapter or chapter 152.

Sec. 68. **[342.66] HEMP-DERIVED TOPICAL PRODUCTS.**

Subdivision 1. **Scope.** This section applies to the manufacture, marketing, distribution, and sale of hemp-derived topical products.

Subd. 2. **Approved cannabinoids.** (a) Products manufactured, marketed, distributed, and sold under this section may contain cannabidiol or cannabigerol. Except as provided in paragraph (c), products may not contain any other cannabinoid unless approved by the office.

(b) The office may approve any cannabinoid, other than any tetrahydrocannabinol, and authorize its use in manufacturing, marketing, distribution, and sales under this section if the office determines that the cannabinoid is a nonintoxicating cannabinoid.

(c) A product manufactured, marketed, distributed, and sold under this section may contain cannabinoids other than cannabidiol, cannabigerol, or any other cannabinoid approved by the office provided that the cannabinoids are naturally occurring in hemp plants or hemp plant parts and the total of all other cannabinoids present in a product does not exceed one milligram per package.

Subd. 3. **Approved products.** Products sold to consumers under this section may only be manufactured, marketed, distributed, intended, or generally expected to be used by applying the product externally to a part of the body of a human or animal.

Subd. 4. **Labeling.** Hemp-derived topical products must meet the labeling requirements in section 342.62, subdivision 5.

Subd. 5. **Prohibitions.** (a) A product sold to consumers under this section must not be manufactured, marketed, distributed, or intended:

(1) for external or internal use in the diagnosis, cure, mitigation, treatment, or prevention of disease in humans or other animals;

(2) to affect the structure or any function of the bodies of humans or other animals;

(3) to be consumed by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product;

(4) to be consumed through chewing; or

(5) to be consumed through injection or application to a mucous membrane or nonintact skin.

(b) A product manufactured, marketed, distributed, or sold to consumers under this section must not:

(1) consist, in whole or in part, of any filthy, putrid, or decomposed substance;

(2) have been produced, prepared, packed, or held under unsanitary conditions where the product may have been rendered injurious to health, or where the product may have been contaminated with filth;

(3) be packaged in a container that is composed, in whole or in part, of any poisonous or deleterious substance that may render the contents injurious to health;

(4) contain any additives or excipients that have been found by the United States Food and Drug Administration to be unsafe for human or animal consumption;

(5) contain a cannabinoid or an amount or percentage of cannabinoids that is different than the information stated on the label;

(6) contain a cannabinoid, other than cannabidiol, cannabigerol, or a cannabinoid approved by the office, in an amount that exceeds the standard established in subdivision 2, paragraph (c); or

(7) contain any contaminants for which testing is required by the office in amounts that exceed the acceptable minimum standards established by the office.

(c) No product containing any cannabinoid may be sold to any individual who is under 21 years of age.

Subd. 6. **Enforcement.** The office may enforce this section under the relevant provisions of section 342.17.

Sec. 69. **[342.67] CANNABIS INDUSTRY COMMUNITY RENEWAL GRANTS.**

Subdivision 1. **Establishment.** The Office of Cannabis Management shall establish CanRenew, a program to award grants to eligible organizations for investments in communities where long-term residents are eligible to be social equity applicants.

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

(b) "Community investment" means a project or program designed to improve community-wide outcomes or experiences and may include efforts targeting economic development, violence prevention, youth development, or civil legal aid, among others.

(c) "Eligible community" means a community where long-term residents are eligible to be social equity applicants.

(d) "Eligible organization" means any organization able to make an investment in a community where long-term residents are eligible to be social equity applicants and may include educational institutions, nonprofit organizations, private businesses, community groups, units of local government, or partnerships between different types of organizations.

(e) "Program" means the CanRenew grant program.

(f) "Social equity applicant" means a person who meets the qualification requirements in section 342.15.

Subd. 3. **Grants to organizations.** (a) The office must award grants to eligible organizations through a competitive grant process.

(b) To receive grant money, an eligible organization must submit a written application to the office, using a form developed by the office, explaining the community investment the organization wants to make in an eligible community.

(c) An eligible organization's grant application must also include:

- (1) an analysis of the community's need for the proposed investment;
 - (2) a description of the positive impact that the proposed investment is expected to generate for that community;
 - (3) any evidence of the organization's ability to successfully achieve that positive impact;
 - (4) any evidence of the organization's past success in making similar community investments;
 - (5) an estimate of the cost of the proposed investment;
 - (6) the sources and amounts of any nonstate funds or in-kind contributions that will supplement grant money; and
 - (7) any additional information requested by the office.
- (d) In awarding grants under this subdivision, the office shall give weight to applications from organizations that demonstrate a history of successful community investments, particularly in geographic areas that are now eligible communities. The office shall also give weight to applications where there is demonstrated community support for the proposed investment. The office shall fund investments in eligible communities throughout the state.

Subd. 4. **Program outreach.** The office shall make extensive efforts to publicize these grants, including through partnerships with community organizations, particularly those located in eligible communities.

Subd. 5. **Reports to the legislature.** By January 15, 2024, and each January 15 thereafter, the office must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over community development that details awards given through the CanRenew program and the use of grant money, including any measures of successful community impact from the grants.

Sec. 70. **[342.68] SUBSTANCE USE TREATMENT, RECOVERY, AND PREVENTION GRANTS.**

Subdivision 1. **Account established; appropriation.** A substance use treatment, recovery, and prevention grant account is created in the special revenue fund. Money in the account, including interest earned, is appropriated to the office for the purposes specified in this section.

Subd. 2. **Acceptance of gifts and grants.** Notwithstanding sections 16A.013 to 16A.016, the office may accept money contributed by individuals and may apply for grants from charitable foundations to be used for the purposes identified in this section. The money accepted under this section must be deposited in the substance use treatment, recovery, and prevention grant account created under subdivision 1.

Subd. 3. **Disposition of money; grants.** (a) Money in the substance use treatment, recovery, and prevention grant account must be distributed as follows:

- (1) at least 75 percent of the money is for grants for substance use disorder and mental health recovery and prevention programs. Funds must be used for recovery and prevention activities and

supplies that assist individuals and families to initiate, stabilize, and maintain long-term recovery from substance use disorders and co-occurring mental health conditions. Recovery and prevention activities may include prevention education, school-linked behavioral health, school-based peer programs, peer supports, self-care and wellness, culturally specific healing, community public awareness, mutual aid networks, telephone recovery checkups, mental health warmlines, harm reduction, recovery community organization development, first episode psychosis programs, and recovery housing; and

(2) up to 25 percent of the money is for substance use disorder treatment programs as defined in chapter 245G and may be used to implement, strengthen, or expand supportive services and activities that are not covered by medical assistance under chapter 256B, MinnesotaCare under chapter 256L, or the behavioral health fund under chapter 254B. Services and activities may include adoption or expansion of evidence-based practices; competency-based training; continuing education; culturally specific and culturally responsive services; sober recreational activities; developing referral relationships; family preservation and healing; and start-up or capacity funding for programs that specialize in adolescent, culturally specific, culturally responsive, disability-specific, co-occurring disorder, or family treatment services.

(b) The office shall consult with the Governor's Advisory Council on Opioids, Substance Use, and Addiction; the commissioner of human services; and the commissioner of health to develop an appropriate application process, establish grant requirements, determine what organizations are eligible to receive grants, and establish reporting requirements for grant recipients.

Subd. 4. **Reports to the legislature.** By January 15, 2024, and each January 15 thereafter, the office must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over health and human services policy and finance that details grants awarded from the substance use treatment, recovery, and prevention grant account, including the total amount awarded, total number of recipients, and geographic distribution of those recipients.

Sec. 71. [342.69] CANNABIS GROWER GRANTS.

Subdivision 1. **Establishment.** The office, in consultation with the commissioner of agriculture, shall establish CanGrow, a program to award grants to (1) eligible organizations to help farmers navigate the regulatory structure of the legal cannabis industry, and (2) nonprofit corporations to fund loans to farmers for expansion into the legal cannabis industry.

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

(b) "Eligible organization" means any organization capable of helping farmers navigate the regulatory structure of the legal cannabis industry, particularly individuals facing barriers to education or employment, and may include educational institutions, nonprofit organizations, private businesses, community groups, units of local government, or partnerships between different types of organizations.

(c) "Industry" means the legal cannabis industry in the state of Minnesota.

(d) "Program" means the CanGrow grant program.

(e) "Social equity applicant" means a person who meets the qualification requirements in section 342.15.

Subd. 3. **Technical assistance grants.** (a) Grant money awarded to eligible organizations may be used for both developing technical assistance resources relevant to the regulatory structure of the legal cannabis industry and for providing such technical assistance or navigation services to farmers.

(b) The office must award grants to eligible organizations through a competitive grant process.

(c) To receive grant money, an eligible organization must submit a written application to the office, using a form developed by the office, explaining the organization's ability to assist farmers in navigating the regulatory structure of the legal cannabis industry, particularly farmers facing barriers to education or employment.

(d) An eligible organization's grant application must also include:

(1) a description of the proposed technical assistance or navigation services, including the types of farmers targeted for assistance;

(2) any evidence of the organization's past success in providing technical assistance or navigation services to farmers, particularly farmers who live in areas where long-term residents are eligible to be social equity applicants;

(3) an estimate of the cost of providing the technical assistance;

(4) the sources and amounts of any nonstate funds or in-kind contributions that will supplement grant money, including any amounts that farmers will be charged to receive assistance; and

(5) any additional information requested by the office.

(e) In awarding grants under this subdivision, the office shall give weight to applications from organizations that demonstrate a history of successful technical assistance or navigation services, particularly for farmers facing barriers to education or employment. The office shall also give weight to applications where the proposed technical assistance will serve areas where long-term residents are eligible to be social equity applicants. The office shall fund technical assistance to farmers throughout the state.

Subd. 4. **Loan financing grants.** (a) The office shall establish a revolving loan account to make loan financing grants under the CanGrow program.

(b) The office must award grants to nonprofit corporations through a competitive grant process.

(c) To receive grant money, a nonprofit corporation must submit a written application to the office using a form developed by the office.

(d) In awarding grants under this subdivision, the office shall give weight to whether the nonprofit corporation:

(1) has a board of directors that includes individuals experienced in agricultural business development;

(2) has the technical skills to analyze projects;

(3) is familiar with other available public and private funding sources and economic development programs;

(4) can initiate and implement economic development projects;

(5) can establish and administer a revolving loan account; and

(6) has established relationships with communities where long-term residents are eligible to be social equity applicants.

The office shall make grants that will help farmers enter the legal cannabis industry throughout the state.

(e) A nonprofit corporation that receives grants under the program must:

(1) establish an office-certified revolving loan account for the purpose of making eligible loans; and

(2) enter into an agreement with the office that the office shall fund loans that the nonprofit corporation makes to farmers entering the legal cannabis industry. The office shall review existing agreements with nonprofit corporations every five years and may renew or terminate an agreement based on that review. In making this review, the office shall consider, among other criteria, the criteria in paragraph (d).

Subd. 5. **Loans to farmers.** (a) The criteria in this subdivision apply to loans made by nonprofit corporations under the program.

(b) A loan must be used to support a farmer in entering the legal cannabis industry. Priority must be given to loans to businesses owned by farmers who are eligible to be social equity applicants and businesses located in communities where long-term residents are eligible to be social equity applicants.

(c) Loans must be made to businesses that are not likely to undertake the project for which loans are sought without assistance from the program.

(d) The minimum state contribution to a loan is \$2,500 and the maximum is either:

(1) \$50,000; or

(2) \$150,000, if state contributions are matched by an equal or greater amount of new private investment.

(e) Loan applications given preliminary approval by the nonprofit corporation must be forwarded to the office for approval. The office must give final approval for each loan made by the nonprofit corporation under the program.

(f) If the borrower has met lender criteria, including being current with all payments for a minimum of three years, the office may approve either full or partial forgiveness of interest or principal amounts.

Subd. 6. **Revolving loan account administration.** (a) The office shall establish a minimum interest rate for loans or guarantees to ensure that necessary loan administration costs are covered. The interest rate charged by a nonprofit corporation for a loan under this section must not exceed the Wall Street Journal prime rate. For a loan under this section, the nonprofit corporation may charge a loan origination fee equal to or less than one percent of the loan value. The nonprofit corporation may retain the amount of the origination fee.

(b) Loan repayment of principal must be paid to the office for deposit in the revolving loan account. Loan interest payments must be deposited in a revolving loan account created by the nonprofit corporation originating the loan being repaid for further distribution or use, consistent with the criteria of this section.

(c) Administrative expenses of the nonprofit corporations with whom the office enters into agreements, including expenses incurred by a nonprofit corporation in providing financial, technical, managerial, and marketing assistance to a business receiving a loan under this section, are eligible program expenses that the office may agree to pay under the grant agreement.

Subd. 7. **Program outreach.** The office shall make extensive efforts to publicize these grants, including through partnerships with community organizations, particularly those located in areas where long-term residents are eligible to be social equity applicants.

Subd. 8. **Reporting requirements.** (a) A nonprofit corporation that receives a grant under subdivision 4 shall:

(1) submit an annual report to the office by January 15 of each year that the nonprofit corporation participates in the program that includes a description of agricultural businesses supported by the grant program, an account of loans made during the calendar year, the program's impact on farmers' ability to expand into the legal cannabis industry, the source and amount of money collected and distributed by the program, the program's assets and liabilities, and an explanation of administrative expenses; and

(2) provide for an independent annual audit to be performed in accordance with generally accepted accounting practices and auditing standards and submit a copy of each annual audit report to the office.

(b) By February 15, 2024, and each February 15 thereafter, the office must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over agriculture that details awards given through the CanGrow program and the use of grant money, including any measures of success toward helping farmers enter the legal cannabis industry. The report must include geographic information regarding the issuance of grants and loans under this section, the repayment rate of loans issued under subdivision 5, and a summary of the amount of loans forgiven.

Sec. 72. [342.70] **LAWFUL ACTIVITIES.**

(a) Notwithstanding any law to the contrary, the cultivation, manufacturing, possessing, and selling of cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products by a licensed cannabis business in conformity with the rights granted by a cannabis business license is lawful and may not be the grounds for the seizure or forfeiture of property, arrest or prosecution, or search or inspections except as provided by this chapter.

(b) A person acting as an agent of a licensed cannabis retailer, licensed cannabis microbusiness, licensed cannabis mezzobusiness, or licensed lower-potency hemp edible retailer who sells or otherwise transfers cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a person under 21 years of age is not subject to arrest, prosecution, or forfeiture of property if the person complied with section 342.28, subdivision 4, and any rules promulgated pursuant to this chapter.

Sec. 73. [342.71] CIVIL ACTIONS.

Subdivision 1. **Right of action.** A spouse, child, parent, guardian, employer, or other person injured in person, property, or means of support or who incurs other pecuniary loss by an intoxicated person or by the intoxication of another person, has a right of action in the person's own name for all damages sustained against a person who caused the intoxication of that person by illegally selling cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products. All damages recovered by a minor under this section must be paid either to the minor or to the minor's parent, guardian, or next friend as the court directs.

Subd. 2. **Actions.** All suits for damages under this section must be by civil action in a court of this state having jurisdiction.

Subd. 3. **Comparative negligence.** Actions under this section are governed by section 604.01.

Subd. 4. **Defense.** It is a defense for the defendant to prove by a preponderance of the evidence that the defendant reasonably and in good faith relied upon representations of proof of age in selling, bartering, furnishing, or giving the cannabis, cannabis product, synthetically derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products.

Subd. 5. **Common law claims.** Nothing in this chapter precludes common law tort claims against any person 21 years old or older who knowingly provides or furnishes cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products to a person under the age of 21 years.

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

Sec. 74. [342.73] NUISANCE; ACTION.

Subdivision 1. **Nuisance.** Any use of adult-use cannabis flower which is injurious to health, indecent or offensive to the senses, or an obstruction to the free use of property so as to interfere with the comfortable enjoyment of life or property is a nuisance.

Subd. 2. **Actions; landlord; association.** (a) A person who is injuriously affected or whose personal enjoyment is lessened by a nuisance under subdivision 1 may bring an action for injunctive relief and the greater of the person's actual damages or a civil penalty of \$250.

(b) If a landlord, as defined in section 504B.001, subdivision 7, or an association, as defined in section 515B.1-103, clause (4), fails to enforce the terms of a lease, governing document, or policy related to the use of adult-use cannabis flower on the premises or property, a person who is injuriously affected or whose personal enjoyment is lessened by a nuisance under subdivision 1 as a result of the failure to enforce the terms may bring an action against the landlord or association seeking injunctive relief and the greater of the person's actual damages or a civil penalty of \$500.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to causes of actions accruing on or after that date.

Sec. 75. REPORT; TRAFFIC AND TRANSPORTATION ISSUES.

By January 31, 2024, the Office of Cannabis Management must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. At a minimum, the report must include:

(1) a description of all rules adopted that relate to traffic and transportation laws and cannabis transporter licensing and operations;

(2) recommendations on changes to statutes that would codify the rules; and

(3) recommendations on how to improve any aspects of this act. The recommendations must be developed in consultation with the commissioner of transportation, the commissioner of public safety, the colonel of the State Patrol, and the director of the Office of Traffic Safety in the Department of Public Safety.

Sec. 76. TRANSPORTER LICENSE ESTABLISHMENT.

When establishing the process for issuing transporter licenses and the requirements for obtaining a transporter license, the Office of Cannabis Management must consult with the Commissioner of Transportation about best practices for issuing licenses.

Sec. 77. INITIAL APPOINTMENTS; FIRST TERMS; FIRST MEETING FOR THE CANNABIS ADVISORY COUNCIL.

Subdivision 1. **Appointments; first terms.** Appointing authorities must make the first appointments to the Cannabis Advisory Council under Minnesota Statutes, section 342.03, by August 1, 2023. The members appointed under Minnesota Statutes, section 342.03, subdivision 1, paragraph (a), clauses (14) to (26) and (38), items (i) to (vi), shall serve terms coterminous with the governor. The members appointed under Minnesota Statutes, section 342.03, subdivision 1, paragraph (a), clauses (27) to (37) and (38), items (vii) to (xi), shall serve terms that conclude the year after the end of a governor's term.

Subd. 2. **First meeting.** The director of the Office of Cannabis Management shall convene the first meeting of the Cannabis Advisory Council by September 15, 2023.

Sec. 78. **EFFECTIVE DATE.**

Except as otherwise provided, each section of this article is effective July 1, 2023.

ARTICLE 2

TAXES

Section 1. Minnesota Statutes 2022, section 270B.12, is amended by adding a subdivision to read:

Subd. 4a. **Office of Cannabis Management.** The commissioner may disclose return information to the Office of Cannabis Management for the purpose of and to the extent necessary to administer section 270C.726.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 2. **[270C.726] POSTING OF TAX DELINQUENCY; SALE OF CANNABIS.**

Subdivision 1. **Posting; notice.** (a) Pursuant to the authority to disclose under section 270B.12, subdivision 4a, the commissioner shall, by the 15th of each month, submit to the Office of Cannabis Management a list of all taxpayers subject to the tax imposed by section 295.81 that are required to pay, withhold, or collect the tax imposed by sections 290.02, 290.0922, 290.92, 290.9727, 290.9728, 290.9729, 295.81, or 297A.62 or local sales and use tax payable to the commissioner, or a local option sales and use tax administered and collected by the commissioner, and who are ten days or more delinquent in either filing a tax return or paying the tax.

(b) The commissioner is under no obligation to list a taxpayer whose business is inactive. At least ten days before notifying the Office of Cannabis Management, the commissioner shall notify the taxpayer of the intended action.

(c) The Office of Cannabis Management shall post the list required by this section on the Office of Cannabis Management website. The list must prominently show the date of posting. If a taxpayer previously listed files all returns and pays all taxes specified in this subdivision then due, the commissioner shall notify the Office of Cannabis Management within two business days.

Subd. 2. **Sales prohibited.** Beginning the third business day after the list is posted, no cannabis cultivator, cannabis manufacturer, cannabis microbusiness, cannabis mezzobusiness, cannabis wholesaler, or industrial hemp grower as defined in chapter 342 may sell or deliver any product to a taxpayer included on the posted list.

Subd. 3. **Penalty.** A cannabis cultivator, cannabis manufacturer, cannabis microbusiness, cannabis mezzobusiness, cannabis wholesaler, or industrial hemp grower as defined in chapter 342 who violates subdivision 2 is subject to the penalties provided in sections 342.19 and 342.21.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 3. Minnesota Statutes 2022, section 273.13, subdivision 24, is amended to read:

Subd. 24. **Class 3.** Commercial and industrial property and utility real and personal property is class 3a.

(1) Except as otherwise provided, each parcel of commercial, industrial, or utility real property has a classification rate of 1.5 percent of the first tier of market value, and 2.0 percent of the remaining market value. In the case of contiguous parcels of property owned by the same person or entity, only the value equal to the first-tier value of the contiguous parcels qualifies for the reduced classification rate, except that contiguous parcels owned by the same person or entity shall be eligible for the first-tier value classification rate on each separate business operated by the owner of the property, provided the business is housed in a separate structure. For the purposes of this subdivision, the first tier means the first \$150,000 of market value. Real property owned in fee by a utility for transmission line right-of-way shall be classified at the classification rate for the higher tier.

For purposes of this subdivision, parcels are considered to be contiguous even if they are separated from each other by a road, street, waterway, or other similar intervening type of property. Connections between parcels that consist of power lines or pipelines do not cause the parcels to be contiguous. Property owners who have contiguous parcels of property that constitute separate businesses that may qualify for the first-tier classification rate shall notify the assessor by July 1, for treatment beginning in the following taxes payable year.

(2) All personal property that is: (i) part of an electric generation, transmission, or distribution system; or (ii) part of a pipeline system transporting or distributing water, gas, crude oil, or petroleum products; and (iii) not described in clause (3), and all railroad operating property has a classification rate as provided under clause (1) for the first tier of market value and the remaining market value. In the case of multiple parcels in one county that are owned by one person or entity, only one first tier amount is eligible for the reduced rate.

(3) The entire market value of personal property that is: (i) tools, implements, and machinery of an electric generation, transmission, or distribution system; (ii) tools, implements, and machinery of a pipeline system transporting or distributing water, gas, crude oil, or petroleum products; or (iii) the mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings, has a classification rate as provided under clause (1) for the remaining market value in excess of the first tier.

(4) Real property used for raising, cultivating, processing, or storing cannabis plants, cannabis flower, or cannabis products for sale has a classification rate as provided under clause (1) for the first tier of market value and the remaining market value. As used in this paragraph, "cannabis plant" has the meaning given in section 342.01, subdivision 18, "cannabis flower" has the meaning given in section 342.01, subdivision 15, and "cannabis product" has the meaning given in section 342.01, subdivision 19.

EFFECTIVE DATE. This section is effective beginning with assessment year 2024 and thereafter.

Sec. 4. Minnesota Statutes 2022, section 275.025, subdivision 2, is amended to read:

Subd. 2. **Commercial-industrial tax capacity.** For the purposes of this section, "commercial-industrial tax capacity" means the tax capacity of all taxable property classified as class 3 or class 5(1) under section 273.13, excluding:

(1) the tax capacity attributable to the first \$150,000 of market value of each parcel of commercial-industrial property as defined under section 273.13, subdivision 24, clauses (1) ~~and~~, (2), and (4);

(2) electric generation attached machinery under class 3; and

(3) property described in section 473.625.

County commercial-industrial tax capacity amounts are not adjusted for the captured net tax capacity of a tax increment financing district under section 469.177, subdivision 2, the net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425, or fiscal disparities contribution and distribution net tax capacities under chapter 276A or 473F. For purposes of this subdivision, the procedures for determining eligibility for tier 1 under section 273.13, subdivision 24, clauses (1) and (2), shall apply in determining the portion of a property eligible to be considered within the first \$150,000 of market value.

EFFECTIVE DATE. This section is effective beginning with assessment year 2024 and thereafter.

Sec. 5. **[289A.33] FILING REQUIREMENTS AND DUE DATES; SPECIAL RULES.**

(a) Upon the request of any cannabis business as defined by section 342.01, subdivision 13, required to collect and remit taxes imposed under section 295.81, chapter 290, or chapter 297A, the commissioner shall waive the requirement that payment of tax must be made electronically if the failure to pay electronically is because the cannabis business is unable to secure banking services and the inability to secure the services is due to its engagement in cannabis-related business allowed under Minnesota law.

(b) If, in consultation with the commissioner of commerce, the commissioner determines that the inability to find banking services is widespread and enforcement of the electronic payment requirement will significantly impede the ability of cannabis businesses to timely pay taxes imposed under section 295.81, chapter 290, or chapter 297A, the commissioner may publish notice on the department website that waives the requirement to pay the tax electronically. If such notice is published, a cannabis business must file returns and pay taxes lawfully due in the form and manner prescribed by the commissioner.

(c) Nothing in this section relieves a cannabis business from timely filing and paying taxes.

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

Sec. 6. Minnesota Statutes 2022, section 290.0132, subdivision 29, is amended to read:

Subd. 29. **Disallowed section 280E expenses; ~~medical cannabis manufacturers licenses.~~** The amount of expenses of a medical cannabis ~~manufacturer~~ business, as defined under section ~~152.22, subdivision 7~~ 342.01, subdivision 52, related to the business of medical cannabis under sections ~~152.21 to 152.37~~ 342.47 to 342.59, or a license holder under chapter 342, related to the business of nonmedical cannabis under that chapter, and not allowed for federal income tax purposes under section 280E of the Internal Revenue Code is a subtraction.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2022.

Sec. 7. Minnesota Statutes 2022, section 290.0134, subdivision 19, is amended to read:

Subd. 19. ~~Disallowed section 280E expenses; medical cannabis manufacturers licenses.~~ The amount of expenses of a medical cannabis ~~manufacturer~~ business, as defined under section ~~152.22, subdivision 7~~ 342.01, subdivision 52, related to the business of medical cannabis under sections ~~152.21 to 152.37~~ 342.47 to 342.59, or a license holder under chapter 342, related to the business of nonmedical cannabis under that chapter, and not allowed for federal income tax purposes under section 280E of the Internal Revenue Code is a subtraction.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2022.

Sec. 8. **[295.81] CANNABIS GROSS RECEIPTS TAX.**

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

(b) "Bundled transaction" means the retail sale of two or more products when the products are otherwise distinct and identifiable, and the products are sold for one nonitemized price.

(c) "Cannabis flower" has the meaning given in section 342.01, subdivision 15.

(d) "Cannabis product" has the meaning given in section 342.01, subdivision 19.

(e) "Cannabis solution product" means any cartridge, bottle, or other package that contains a taxable cannabis product in a solution that is consumed or meant to be consumed through the use of a heating element, power source, electronic circuit, or other electronic, chemical, or mechanical means that produces vapor or aerosol. A cannabis solution product includes any electronic delivery system, electronic vaping device, electronic vape pen, electronic oral device, electronic delivery device, or similar product or device, and any batteries, heating elements, or other components, parts, or accessories sold with and meant to be used in the consumption of a solution containing a taxable cannabis product.

(f) "Cannabis mezzobusiness" means a cannabis business licensed under section 342.31.

(g) "Cannabis microbusiness" means a cannabis business licensed under section 342.29.

(h) "Cannabis retailer" means a cannabis business licensed under section 342.27.

(i) "Commissioner" means the commissioner of revenue.

(j) "Gross receipts" means the total amount received, in money or by barter or exchange, for all taxable cannabis product sales at retail as measured by the sales price. Gross receipts include but are not limited to delivery charges and packaging costs. Gross receipts do not include:

(1) any taxes imposed directly on the customer that are separately stated on the invoice, bill of sale, or similar document given to the purchaser; and

(2) discounts, including cash, terms, or coupons, that are not reimbursed by a third party and that are allowed by the seller and taken by a purchaser on a sale.

(k) "Hemp-derived consumer product" has the meaning given in section 342.01, subdivision 35.

(l) "Lower-potency hemp edible" has the meaning given in section 342.01, subdivision 49.

(m) "Lower-potency hemp edible retailer" means a cannabis business licensed under section 342.41, subdivision 1, paragraph (b), clause (1).

(n) "Medical cannabis flower" has the meaning given in section 342.01, subdivision 53.

(o) "Medical cannabinoid product" has the meaning given in section 342.01, subdivision 51.

(p) "Medical cannabis paraphernalia" has the meaning given in section 342.01, subdivision 54.

(q) "Retail sale" has the meaning given in section 297A.61, subdivision 4.

(r) "Taxable cannabis product" means cannabis flower, cannabis product, cannabis solution product, hemp-derived consumer product, lower-potency hemp edible, and any substantially similar product.

(s) "Taxable cannabis product retailer" means a retailer that sells any taxable cannabis product and includes a cannabis retailer, cannabis microbusiness, cannabis mezzobusiness, and lower-potency hemp edible retailer. Taxable cannabis product retailer includes but is not limited to a:

(1) retailer maintaining a place of business in this state;

(2) marketplace provider maintaining a place of business in this state, as defined in section 297A.66, subdivision 1, paragraph (a);

(3) retailer not maintaining a place of business in this state; and

(4) marketplace provider not maintaining a place of business in this state, as defined in section 297A.66, subdivision 1, paragraph (b).

Subd. 2. Gross receipts tax imposed. (a) A tax equal to ten percent of gross receipts from retail sales in Minnesota of taxable cannabis products is imposed on any taxable cannabis product retailer that sells these products to customers. A taxable cannabis product retailer may but is not required to collect the tax imposed by this section from the purchaser as long as the tax is separately stated on the receipt, invoice, bill of sale, or similar document given to the purchaser.

(b) If a product subject to the tax imposed by this section is included in a bundled transaction, the entire sales price of the bundled transaction is subject to the tax imposed by this section.

(c) The tax imposed under this section is in addition to any other tax imposed on the sale or use of taxable cannabis products.

Subd. 3. Use tax imposed; credit for taxes paid. (a) A person that receives taxable cannabis products for use or storage in Minnesota, other than from a taxable cannabis product retailer that paid the tax under subdivision 2, is subject to tax at the rate imposed under subdivision 2. Liability for the tax is incurred when the person has possession of the taxable cannabis product in Minnesota. The tax must be remitted to the commissioner in the same manner prescribed for taxes imposed under chapter 297A.

(b) A person that has paid taxes to another state or any subdivision thereof on the same transaction and is subject to tax under this section is entitled to a credit for the tax legally due and paid to another state or subdivision thereof to the extent of the lesser of (1) the tax actually paid to the other state or subdivision thereof, or (2) the amount of tax imposed by Minnesota on the transaction subject to tax in the other state or subdivision thereof.

Subd. 4. Exemptions. (a) The use tax imposed under subdivision 3, paragraph (a), does not apply to the possession, use, or storage of taxable cannabis products if (1) the taxable cannabis products have an aggregate cost in any calendar month to the customer of \$100 or less and (2) the taxable cannabis products were carried into this state by the customer.

(b) The tax imposed under this section does not apply to sales of medical items purchased by or for the patients enrolled in the registry program, including medical cannabis flower, medical cannabinoid products, and medical cannabis paraphernalia.

(c) Unless otherwise specified in this section, the exemptions applicable to taxes imposed under chapter 297A are not applicable to the taxes imposed under this section.

Subd. 5. Tax collection required. A taxable cannabis product retailer with nexus in Minnesota, who is not subject to tax under subdivision 2, is required to collect the tax imposed under subdivision 3 from the purchaser of the taxable cannabis product and give the purchaser a receipt for the tax paid. The tax collected must be remitted to the commissioner in the same manner prescribed for the taxes imposed under chapter 297A.

Subd. 6. Taxes paid to another state or any subdivision thereof; credit. A taxable cannabis product retailer that has paid taxes to another state or any subdivision thereof measured by gross receipts and is subject to tax under this section on the same gross receipts is entitled to a credit for the tax legally due and paid to another state or any subdivision thereof to the extent of the lesser of (1) the tax actually paid to the other state or any subdivision thereof, or (2) the amount of tax imposed by Minnesota on the gross receipts subject to tax in the other taxing state or any subdivision thereof.

Subd. 7. Sourcing of sales. Section 297A.668 applies to the taxes imposed by this section.

Subd. 8. Administration. Unless specifically provided otherwise, the audit, assessment, refund, penalty, interest, enforcement, collection remedies, appeal, and administrative provisions of chapters 270C and 289A that are applicable to taxes imposed under chapter 297A, except the requirement to file returns and remit taxes due electronically if the commissioner waives the requirement pursuant to section 289A.33, apply to the tax imposed under this section.

Subd. 9. Returns; payment of tax. (a) A taxable cannabis product retailer must report the tax on a return prescribed by the commissioner and must remit the tax in a form and manner prescribed

by the commissioner. The return and the tax must be filed and paid using the filing cycle and due dates provided for taxes imposed under section 289A.20, subdivision 4, and chapter 297A.

(b) Interest must be paid on an overpayment refunded or credited to the taxpayer from the date of payment of the tax until the date the refund is paid or credited. For purposes of this subdivision, the date of payment is the due date of the return or the date of actual payment of the tax, whichever is later.

Subd. 10. **Deposit of revenues; account established.** (a) The commissioner must deposit the revenues, including penalties and interest, derived from the tax imposed by this section as follows:

(1) 75 percent to the general fund; and

(2) 25 percent to the local government cannabis aid account in the special revenue fund.

(b) The local government cannabis aid account is established in the special revenue fund.

Subd. 11. **Personal debt.** The tax imposed by this section, and interest and penalties imposed with respect to it, are a personal debt of the person required to file a return from the time that the liability for it arises, irrespective of when the time for payment of the liability occurs. The debt must, in the case of the executor or administrator of the estate of a decedent and in the case of a fiduciary, be that of the person in the person's official or fiduciary capacity only, unless the person has voluntarily distributed the assets held in that capacity without reserving sufficient assets to pay the tax, interest, and penalties, in which event the person is personally liable for any deficiency.

EFFECTIVE DATE. This section is effective for gross receipts received after June 30, 2023.

Sec. 9. **[295.82] CANNABIS LOCAL TAX PROHIBITED.**

A political subdivision of this state is prohibited from imposing a tax under this section solely on the sale of taxable cannabis products as defined under section 295.81, subdivision 1, paragraph (g).

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

Sec. 10. Minnesota Statutes 2022, section 297A.61, subdivision 3, is amended to read:

Subd. 3. Sale and purchase. (a) "Sale" and "purchase" include, but are not limited to, each of the transactions listed in this subdivision. In applying the provisions of this chapter, the terms "tangible personal property" and "retail sale" include the taxable services listed in paragraph (g), clause (6), items (i) to (vi) and (viii), and the provision of these taxable services, unless specifically provided otherwise. Services performed by an employee for an employer are not taxable. Services performed by a partnership or association for another partnership or association are not taxable if one of the entities owns or controls more than 80 percent of the voting power of the equity interest in the other entity. Services performed between members of an affiliated group of corporations are not taxable. For purposes of the preceding sentence, "affiliated group of corporations" means those entities that would be classified as members of an affiliated group as defined under United States Code, title 26, section 1504, disregarding the exclusions in section 1504(b).

(b) Sale and purchase include:

(1) any transfer of title or possession, or both, of tangible personal property, whether absolutely or conditionally, for a consideration in money or by exchange or barter; and

(2) the leasing of or the granting of a license to use or consume, for a consideration in money or by exchange or barter, tangible personal property, other than a manufactured home used for residential purposes for a continuous period of 30 days or more.

(c) Sale and purchase include the production, fabrication, printing, or processing of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the production, fabrication, printing, or processing.

(d) Sale and purchase include the preparing for a consideration of food. Notwithstanding section 297A.67, subdivision 2, taxable food includes, but is not limited to, the following:

(1) prepared food sold by the retailer;

(2) soft drinks;

(3) candy; and

(4) dietary supplements.

(e) A sale and a purchase includes the furnishing for a consideration of electricity, gas, water, or steam for use or consumption within this state.

(f) A sale and a purchase includes the transfer for a consideration of prewritten computer software whether delivered electronically, by load and leave, or otherwise.

(g) A sale and a purchase includes the furnishing for a consideration of the following services:

(1) the privilege of admission to places of amusement, recreational areas, or athletic events, and the making available of amusement devices, tanning facilities, reducing salons, steam baths, health clubs, and spas or athletic facilities;

(2) lodging and related services by a hotel, rooming house, resort, campground, motel, or trailer camp, including furnishing the guest of the facility with access to telecommunication services, and the granting of any similar license to use real property in a specific facility, other than the renting or leasing of it for a continuous period of 30 days or more under an enforceable written agreement that may not be terminated without prior notice and including accommodations intermediary services provided in connection with other services provided under this clause;

(3) nonresidential parking services, whether on a contractual, hourly, or other periodic basis, except for parking at a meter;

(4) the granting of membership in a club, association, or other organization if:

(i) the club, association, or other organization makes available for the use of its members sports and athletic facilities, without regard to whether a separate charge is assessed for use of the facilities; and

(ii) use of the sports and athletic facility is not made available to the general public on the same basis as it is made available to members.

Granting of membership means both onetime initiation fees and periodic membership dues. Sports and athletic facilities include golf courses; tennis, racquetball, handball, and squash courts; basketball and volleyball facilities; running tracks; exercise equipment; swimming pools; and other similar athletic or sports facilities;

(5) delivery of aggregate materials by a third party, excluding delivery of aggregate material used in road construction; and delivery of concrete block by a third party if the delivery would be subject to the sales tax if provided by the seller of the concrete block. For purposes of this clause, "road construction" means construction of:

(i) public roads;

(ii) cartways; and

(iii) private roads in townships located outside of the seven-county metropolitan area up to the point of the emergency response location sign; and

(6) services as provided in this clause:

(i) laundry and dry cleaning services including cleaning, pressing, repairing, altering, and storing clothes, linen services and supply, cleaning and blocking hats, and carpet, drapery, upholstery, and industrial cleaning. Laundry and dry cleaning services do not include services provided by coin operated facilities operated by the customer;

(ii) motor vehicle washing, waxing, and cleaning services, including services provided by coin operated facilities operated by the customer, and rustproofing, undercoating, and towing of motor vehicles;

(iii) building and residential cleaning, maintenance, and disinfecting services and pest control and exterminating services;

(iv) detective, security, burglar, fire alarm, and armored car services; but not including services performed within the jurisdiction they serve by off-duty licensed peace officers as defined in section 626.84, subdivision 1, or services provided by a nonprofit organization or any organization at the direction of a county for monitoring and electronic surveillance of persons placed on in-home detention pursuant to court order or under the direction of the Minnesota Department of Corrections;

(v) pet grooming services;

(vi) lawn care, fertilizing, mowing, spraying and sprigging services; garden planting and maintenance; tree, bush, and shrub pruning, bracing, spraying, and surgery; indoor plant care; tree, bush, shrub, and stump removal, except when performed as part of a land clearing contract as defined in section 297A.68, subdivision 40; and tree trimming for public utility lines. Services performed under a construction contract for the installation of shrubbery, plants, sod, trees, bushes, and similar items are not taxable;

(vii) massages, except when provided by a licensed health care facility or professional or upon written referral from a licensed health care facility or professional for treatment of illness, injury, or disease; and

(viii) the furnishing of lodging, board, and care services for animals in kennels and other similar arrangements, but excluding veterinary and horse boarding services.

(h) A sale and a purchase includes the furnishing for a consideration of tangible personal property or taxable services by the United States or any of its agencies or instrumentalities, or the state of Minnesota, its agencies, instrumentalities, or political subdivisions.

(i) A sale and a purchase includes the furnishing for a consideration of telecommunications services, ancillary services associated with telecommunication services, and pay television services. Telecommunication services include, but are not limited to, the following services, as defined in section 297A.669: air-to-ground radiotelephone service, mobile telecommunication service, postpaid calling service, prepaid calling service, prepaid wireless calling service, and private communication services. The services in this paragraph are taxed to the extent allowed under federal law.

(j) A sale and a purchase includes the furnishing for a consideration of installation if the installation charges would be subject to the sales tax if the installation were provided by the seller of the item being installed.

(k) A sale and a purchase includes the rental of a vehicle by a motor vehicle dealer to a customer when (1) the vehicle is rented by the customer for a consideration, or (2) the motor vehicle dealer is reimbursed pursuant to a service contract as defined in section 59B.02, subdivision 11.

(l) A sale and a purchase includes furnishing for a consideration of specified digital products or other digital products or granting the right for a consideration to use specified digital products or other digital products on a temporary or permanent basis and regardless of whether the purchaser is required to make continued payments for such right. Wherever the term "tangible personal property" is used in this chapter, other than in subdivisions 10 and 38, the provisions also apply to specified digital products, or other digital products, unless specifically provided otherwise or the context indicates otherwise.

(m) The sale of the privilege of admission under section 297A.61, subdivision 3, paragraph (g), clause (1), to a place of amusement, recreational area, or athletic event includes all charges included in the privilege of admission's sales price, without deduction for amenities that may be provided, unless the amenities are separately stated and the purchaser of the privilege of admission is entitled to add or decline the amenities, and the amenities are not otherwise taxable.

(n) A sale and purchase includes the transfer for consideration of a taxable cannabis product as defined in section 295.81, subdivision 1, paragraph (q).

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 11. Minnesota Statutes 2022, section 297A.67, subdivision 2, is amended to read:

Subd. 2. **Food and food ingredients.** Except as otherwise provided in this subdivision, food and food ingredients are exempt. For purposes of this subdivision, "food" and "food ingredients" mean substances, whether in liquid, concentrated, solid, frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional value. Food and food ingredients exempt under this subdivision do not include candy, soft drinks, dietary supplements, and prepared foods. Food and food ingredients do not include alcoholic beverages ~~and~~, tobacco, taxable cannabis products, medical cannabis flower, and medical cannabinoid products. For purposes of this subdivision, "alcoholic beverages" means beverages that are suitable for human consumption and contain one-half of one percent or more of alcohol by volume. For purposes of this subdivision, "tobacco" means cigarettes, cigars, chewing or pipe tobacco, or any other item that contains tobacco. For purposes of this subdivision, "taxable cannabis product" has the meaning given in section 295.81, subdivision 1, paragraph (q), "medical cannabis flower" has the meaning given in section 342.01, subdivision 53, and "medical cannabinoid product" has the meaning given in section 342.01, subdivision 51. For purposes of this subdivision, "dietary supplements" means any product, other than tobacco, intended to supplement the diet that:

(1) contains one or more of the following dietary ingredients:

(i) a vitamin;

(ii) a mineral;

(iii) an herb or other botanical;

(iv) an amino acid;

(v) a dietary substance for use by humans to supplement the diet by increasing the total dietary intake; and

(vi) a concentrate, metabolite, constituent, extract, or combination of any ingredient described in items (i) to (v);

(2) is intended for ingestion in tablet, capsule, powder, softgel, gelcap, or liquid form, or if not intended for ingestion in such form, is not represented as conventional food and is not represented for use as a sole item of a meal or of the diet; and

(3) is required to be labeled as a dietary supplement, identifiable by the supplement facts box found on the label and as required pursuant to Code of Federal Regulations, title 21, section 101.36.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 12. Minnesota Statutes 2022, section 297A.67, subdivision 7, is amended to read:

Subd. 7. **Drugs; medical devices.** (a) Sales of the following drugs and medical devices for human use are exempt:

(1) drugs, including over-the-counter drugs;

(2) single-use finger-pricking devices for the extraction of blood and other single-use devices and single-use diagnostic agents used in diagnosing, monitoring, or treating diabetes;

(3) insulin and medical oxygen for human use, regardless of whether prescribed or sold over the counter;

(4) prosthetic devices;

(5) durable medical equipment for home use only;

(6) mobility enhancing equipment;

(7) prescription corrective eyeglasses; and

(8) kidney dialysis equipment, including repair and replacement parts.

(b) Items purchased in transactions covered by:

(1) Medicare as defined under title XVIII of the Social Security Act, United States Code, title 42, section 1395, et seq.; or

(2) Medicaid as defined under title XIX of the Social Security Act, United States Code, title 42, section 1396, et seq.

(c) For purposes of this subdivision:

(1) "Drug" means a compound, substance, or preparation, and any component of a compound, substance, or preparation, other than food and food ingredients, dietary supplements, taxable cannabis products as defined under section 295.81, subdivision 1, paragraph (q), or alcoholic beverages that is:

(i) recognized in the official United States Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States, or official National Formulary, and supplement to any of them;

(ii) intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease; or

(iii) intended to affect the structure or any function of the body.

(2) "Durable medical equipment" means equipment, including repair and replacement parts, including single-patient use items, but not including mobility enhancing equipment, that:

(i) can withstand repeated use;

(ii) is primarily and customarily used to serve a medical purpose;

(iii) generally is not useful to a person in the absence of illness or injury; and

(iv) is not worn in or on the body.

For purposes of this clause, "repair and replacement parts" includes all components or attachments used in conjunction with the durable medical equipment, including repair and replacement parts which are for single patient use only.

(3) "Mobility enhancing equipment" means equipment, including repair and replacement parts, but not including durable medical equipment, that:

(i) is primarily and customarily used to provide or increase the ability to move from one place to another and that is appropriate for use either in a home or a motor vehicle;

(ii) is not generally used by persons with normal mobility; and

(iii) does not include any motor vehicle or equipment on a motor vehicle normally provided by a motor vehicle manufacturer.

(4) "Over-the-counter drug" means a drug that contains a label that identifies the product as a drug as required by Code of Federal Regulations, title 21, section 201.66. The label must include a "drug facts" panel or a statement of the active ingredients with a list of those ingredients contained in the compound, substance, or preparation. Over-the-counter drugs do not include grooming and hygiene products, regardless of whether they otherwise meet the definition. "Grooming and hygiene products" are soaps, cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and suntan lotions and sunscreens.

(5) "Prescribed" and "prescription" means a direction in the form of an order, formula, or recipe issued in any form of oral, written, electronic, or other means of transmission by a duly licensed health care professional.

(6) "Prosthetic device" means a replacement, corrective, or supportive device, including repair and replacement parts, worn on or in the body to:

(i) artificially replace a missing portion of the body;

(ii) prevent or correct physical deformity or malfunction; or

(iii) support a weak or deformed portion of the body.

Prosthetic device does not include corrective eyeglasses.

(7) "Kidney dialysis equipment" means equipment that:

(i) is used to remove waste products that build up in the blood when the kidneys are not able to do so on their own; and

(ii) can withstand repeated use, including multiple use by a single patient, notwithstanding the provisions of clause (2).

(8) A transaction is covered by Medicare or Medicaid if any portion of the cost of the item purchased in the transaction is paid for or reimbursed by the federal government or the state of Minnesota pursuant to the Medicare or Medicaid program, by a private insurance company administering the Medicare or Medicaid program on behalf of the federal government or the state

of Minnesota, or by a managed care organization for the benefit of a patient enrolled in a prepaid program that furnishes medical services in lieu of conventional Medicare or Medicaid coverage pursuant to agreement with the federal government or the state of Minnesota.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 13. Minnesota Statutes 2022, section 297A.70, subdivision 2, is amended to read:

Subd. 2. **Sales to government.** (a) All sales, except those listed in paragraph (b), to the following governments and political subdivisions, or to the listed agencies or instrumentalities of governments and political subdivisions, are exempt:

(1) the United States and its agencies and instrumentalities;

(2) school districts, local governments, the University of Minnesota, state universities, community colleges, technical colleges, state academies, the Perpich Minnesota Center for Arts Education, and an instrumentality of a political subdivision that is accredited as an optional/special function school by the North Central Association of Colleges and Schools;

(3) hospitals and nursing homes owned and operated by political subdivisions of the state of tangible personal property and taxable services used at or by hospitals and nursing homes;

(4) notwithstanding paragraph (d), the sales and purchases by the Metropolitan Council of vehicles and repair parts to equip operations provided for in section 473.4051 are exempt through December 31, 2016;

(5) other states or political subdivisions of other states, if the sale would be exempt from taxation if it occurred in that state; and

(6) public libraries, public library systems, multicounty, multitype library systems as defined in section 134.001, county law libraries under chapter 134A, state agency libraries, the state library under section 480.09, and the Legislative Reference Library.

(b) This exemption does not apply to the sales of the following products and services:

(1) building, construction, or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility;

(2) construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities;

(3) the leasing of a motor vehicle as defined in section 297B.01, subdivision 11, except for leases entered into by the United States or its agencies or instrumentalities;

(4) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause (2), ~~and~~ prepared food, candy, soft drinks, ~~and~~ alcoholic beverages as defined in section 297A.67, subdivision 2, and taxable cannabis products as defined under section 295.81, subdivision 1, paragraph (q),

except for lodging, prepared food, candy, soft drinks, ~~and~~ alcoholic beverages, and taxable cannabis products purchased directly by the United States or its agencies or instrumentalities; or

(5) goods or services purchased by a local government as inputs to a liquor store, gas or electric utility, solid waste hauling service, solid waste recycling service, landfill, golf course, marina, campground, cafe, or laundromat.

(c) As used in this subdivision, "school districts" means public school entities and districts of every kind and nature organized under the laws of the state of Minnesota, and any instrumentality of a school district, as defined in section 471.59.

(d) For purposes of the exemption granted under this subdivision, "local governments" has the following meaning:

(1) for the period prior to January 1, 2017, local governments means statutory or home rule charter cities, counties, and townships; and

(2) beginning January 1, 2017, local governments means statutory or home rule charter cities, counties, and townships; special districts as defined under section 6.465; any instrumentality of a statutory or home rule charter city, county, or township as defined in section 471.59; and any joint powers board or organization created under section 471.59.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 14. Minnesota Statutes 2022, section 297A.70, subdivision 4, is amended to read:

Subd. 4. **Sales to nonprofit groups.** (a) All sales, except those listed in paragraph (b), to the following "nonprofit organizations" are exempt:

(1) a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes if the item purchased is used in the performance of charitable, religious, or educational functions;

(2) any senior citizen group or association of groups that:

(i) in general limits membership to persons who are either age 55 or older, or persons with a physical disability;

(ii) is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, not including housing, no part of the net earnings of which inures to the benefit of any private shareholders; and

(iii) is an exempt organization under section 501(c) of the Internal Revenue Code; and

(3) an organization that qualifies for an exemption for memberships under subdivision 12 if the item is purchased and used in the performance of the organization's mission.

For purposes of this subdivision, charitable purpose includes the maintenance of a cemetery owned by a religious organization.

(b) This exemption does not apply to the following sales:

(1) building, construction, or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility;

(2) construction materials purchased by tax-exempt entities or their contractors to be used in constructing buildings or facilities that will not be used principally by the tax-exempt entities;

(3) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause (2), ~~and~~ prepared food, candy, soft drinks, taxable cannabis product as defined under section 295.81, subdivision 1, paragraph (q), and alcoholic beverages as defined in section 297A.67, subdivision 2, except wine purchased by an established religious organization for sacramental purposes or as allowed under subdivision 9a; and

(4) leasing of a motor vehicle as defined in section 297B.01, subdivision 11, except as provided in paragraph (c).

(c) This exemption applies to the leasing of a motor vehicle as defined in section 297B.01, subdivision 11, only if the vehicle is:

(1) a truck, as defined in section 168.002, a bus, as defined in section 168.002, or a passenger automobile, as defined in section 168.002, if the automobile is designed and used for carrying more than nine persons including the driver; and

(2) intended to be used primarily to transport tangible personal property or individuals, other than employees, to whom the organization provides service in performing its charitable, religious, or educational purpose.

(d) A limited liability company also qualifies for exemption under this subdivision if (1) it consists of a sole member that would qualify for the exemption, and (2) the items purchased qualify for the exemption.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 15. Minnesota Statutes 2022, section 297A.70, subdivision 18, is amended to read:

Subd. 18. **Nursing homes and boarding care homes.** (a) All sales, except those listed in paragraph (b), to a nursing home licensed under section 144A.02 or a boarding care home certified as a nursing facility under title 19 of the Social Security Act are exempt if the facility:

(1) is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code; and

(2) is certified to participate in the medical assistance program under title 19 of the Social Security Act, or certifies to the commissioner that it does not discharge residents due to the inability to pay.

(b) This exemption does not apply to the following sales:

(1) building, construction, or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility;

(2) construction materials purchased by tax-exempt entities or their contractors to be used in constructing buildings or facilities that will not be used principally by the tax-exempt entities;

(3) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause (2), ~~and~~ prepared food, candy, soft drinks, and alcoholic beverages as defined in section 297A.67, subdivision 2, and taxable cannabis products as defined under section 295.81, subdivision 1, paragraph (q); and

(4) leasing of a motor vehicle as defined in section 297B.01, subdivision 11, except as provided in paragraph (c).

(c) This exemption applies to the leasing of a motor vehicle as defined in section 297B.01, subdivision 11, only if the vehicle is:

(1) a truck, as defined in section 168.002; a bus, as defined in section 168.002; or a passenger automobile, as defined in section 168.002, if the automobile is designed and used for carrying more than nine persons including the driver; and

(2) intended to be used primarily to transport tangible personal property or residents of the nursing home or boarding care home.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 16. Minnesota Statutes 2022, section 297A.85, is amended to read:

297A.85 CANCELLATION OF PERMITS.

The commissioner may cancel a permit if one of the following conditions occurs:

(1) the permit holder has not filed a sales or use tax return for at least one year;

(2) the permit holder has not reported any sales or use tax liability on the permit holder's returns for at least two years;

(3) the permit holder requests cancellation of the permit;

(4) the permit is subject to cancellation under section 270C.722, subdivision 2, paragraph (a);

~~or~~

(5) the permit is subject to cancellation under section 297A.84; or

(6) the permit holder is a taxable cannabis product retailer as defined in section 295.81, subdivision 1, paragraph (r), other than a lower-potency hemp edible retailer as licensed under

section 342.43, subdivision 1, and its license to sell a taxable cannabis product as defined in section 295.81, subdivision 1, paragraph (q), has been revoked by the Office of Cannabis Management.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 17. Minnesota Statutes 2022, section 297D.01, is amended to read:

297D.01 DEFINITIONS.

Subdivision 1. **Marijuana Illegal cannabis.** "~~Marijuana~~ "Illegal cannabis" means any ~~marijuana~~ taxable cannabis product as defined in section 295.81, subdivision 1, paragraph (q), whether real or counterfeit, ~~as defined in section 152.01, subdivision 9,~~ that is held, possessed, transported, transferred, sold, or offered to be sold in violation of chapter 342 or Minnesota criminal laws.

Subd. 2. **Controlled substance.** "Controlled substance" means any drug or substance, whether real or counterfeit, as defined in section 152.01, subdivision 4, that is held, possessed, transported, transferred, sold, or offered to be sold in violation of Minnesota laws. "Controlled substance" does not include ~~marijuana~~ illegal cannabis.

Subd. 3. **Tax obligor or obligor.** "Tax obligor" or "obligor" means a person who in violation of Minnesota law manufactures, produces, ships, transports, or imports into Minnesota or in any manner acquires or possesses more than 42-1/2 grams of ~~marijuana~~ illegal cannabis, or seven or more grams of any controlled substance, or ten or more dosage units of any controlled substance which is not sold by weight. A quantity of ~~marijuana~~ illegal cannabis or other controlled substance is measured by the weight of the substance whether pure or impure or dilute, or by dosage units when the substance is not sold by weight, in the tax obligor's possession. A quantity of a controlled substance is dilute if it consists of a detectable quantity of pure controlled substance and any excipients or fillers.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of revenue.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 18. Minnesota Statutes 2022, section 297D.04, is amended to read:

297D.04 TAX PAYMENT REQUIRED FOR POSSESSION.

No tax obligor may possess any ~~marijuana~~ illegal cannabis or controlled substance upon which a tax is imposed by section 297D.08 unless the tax has been paid on the ~~marijuana~~ illegal cannabis or ~~other~~ a controlled substance as evidenced by a stamp or other official indicia.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 19. Minnesota Statutes 2022, section 297D.06, is amended to read:

297D.06 PHARMACEUTICALS.

Nothing in this chapter requires persons registered under chapter 151 or otherwise lawfully in possession of ~~marijuana~~ illegal cannabis or a controlled substance to pay the tax required under this chapter.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 20. Minnesota Statutes 2022, section 297D.07, is amended to read:

297D.07 MEASUREMENT.

For the purpose of calculating the tax under section 297D.08, a quantity of ~~marijuana~~ illegal cannabis or ~~other~~ a controlled substance is measured by the weight of the substance whether pure or impure or dilute, or by dosage units when the substance is not sold by weight, in the tax obligor's possession. A quantity of a controlled substance is dilute if it consists of a detectable quantity of pure controlled substance and any excipients or fillers.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 21. Minnesota Statutes 2022, section 297D.08, is amended to read:

297D.08 TAX RATE.

A tax is imposed on ~~marijuana~~ illegal cannabis and controlled substances as defined in section 297D.01 at the following rates:

- (1) on each gram of ~~marijuana~~ illegal cannabis, or each portion of a gram, \$3.50; and
- (2) on each gram of controlled substance, or portion of a gram, \$200; or
- (3) on each ten dosage units of a controlled substance that is not sold by weight, or portion thereof, \$400.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 22. Minnesota Statutes 2022, section 297D.085, is amended to read:

297D.085 CREDIT FOR PREVIOUSLY PAID TAXES.

If another state or local unit of government has previously assessed an excise tax on the ~~marijuana~~ illegal cannabis or controlled substances, the taxpayer must pay the difference between the tax due under section 297D.08 and the tax previously paid. If the tax previously paid to the other state or local unit of government was equal to or greater than the tax due under section 297D.08, no tax is due. The burden is on the taxpayer to show that an excise tax on the ~~marijuana~~ illegal cannabis or controlled substances has been paid to another state or local unit of government.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 23. Minnesota Statutes 2022, section 297D.09, subdivision 1a, is amended to read:

Subd. 1a. **Criminal penalty; sale without affixed stamps.** In addition to the tax penalty imposed, a tax obligor distributing or possessing ~~marijuana~~ illegal cannabis or controlled substances without affixing the appropriate stamps, labels, or other indicia is guilty of a crime and, upon conviction, may be sentenced to imprisonment for not more than seven years or to payment of a fine of not more than \$14,000, or both.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 24. Minnesota Statutes 2022, section 297D.10, is amended to read:

297D.10 STAMP PRICE.

Official stamps, labels, or other indicia to be affixed to all ~~marijuana~~ illegal cannabis or controlled substances shall be purchased from the commissioner. The purchaser shall pay 100 percent of face value for each stamp, label, or other indicia at the time of the purchase.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 25. Minnesota Statutes 2022, section 297D.11, is amended to read:

297D.11 PAYMENT DUE.

Subdivision 1. **Stamps affixed.** When a tax obligor purchases, acquires, transports, or imports into this state ~~marijuana~~ illegal cannabis or controlled substances on which a tax is imposed by section 297D.08, and if the indicia evidencing the payment of the tax have not already been affixed, the tax obligor shall have them permanently affixed on the ~~marijuana~~ illegal cannabis or controlled substance immediately after receiving the substance. Each stamp or other official indicia may be used only once.

Subd. 2. **Payable on possession.** Taxes imposed upon ~~marijuana~~ illegal cannabis or controlled substances by this chapter are due and payable immediately upon acquisition or possession in this state by a tax obligor.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 26. **[477A.31] LOCAL GOVERNMENT CANNABIS AID.**

Subdivision 1. **Certification to commissioner of revenue.** (a) By July 15, 2024, and annually thereafter, the commissioner of management and budget must certify to the commissioner of revenue the balance of the local government cannabis aid account in the special revenue fund at the close of the previous fiscal year.

(b) By June 1, 2024, and annually thereafter, the director of the office of cannabis management under section 342.02 must certify to the commissioner of revenue the number of cannabis businesses, as defined under section 342.01, subdivision 13, licensed under chapter 342 as of the previous January 1, disaggregated by county and city.

Subd. 2. **Aid to counties.** (a) Beginning for aid payable in 2024, the amount available for aid to counties under this subdivision equals 50 percent of the amount certified in that year to the commissioner under subdivision 1, paragraph (a).

(b) Twenty percent of the amount under paragraph (a) must be distributed equally among all counties.

(c) Eighty percent of the amount under paragraph (a) must be distributed proportionally to each county according to the number of cannabis businesses located in the county as compared to the

number of cannabis businesses in all counties as of the most recent certification under subdivision 1, paragraph (b).

Subd. 3. **Aid to cities.** (a) Beginning for aid payable in 2024, the amount available for aid to cities under this subdivision equals 50 percent of the amount certified in that year to the commissioner under subdivision 1, paragraph (a).

(b) The amount under paragraph (a) must be distributed proportionally to each city according to the number of cannabis businesses located in the city as compared to the number of cannabis businesses in all cities as of the most recent certification under subdivision 1, paragraph (b).

Subd. 4. **Payment.** The commissioner of revenue must compute the amount of aid payable to each county and city under this section. On or before August 1 of each year, the commissioner must certify the amount to be paid to each county and city in that year. The commissioner must pay the full amount of the aid on December 26 annually.

Subd. 5. **Appropriation.** Beginning in fiscal year 2025 and annually thereafter, the amount in the local government cannabis aid account in the special revenue fund is annually appropriated to the commissioner of revenue to make the aid payments required under this section.

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

ARTICLE 3

BUSINESS DEVELOPMENT

Section 1. [116J.659] CANNABIS INDUSTRY STARTUP FINANCING GRANTS.

Subdivision 1. **Establishment.** The commissioner of employment and economic development shall establish CanStartup, a program to award grants to nonprofit corporations to fund loans to new businesses in the legal cannabis industry and to support job creation in communities where long-term residents are eligible to be social equity applicants.

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

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

(c) "Industry" means the legal cannabis industry in the state of Minnesota.

(d) "New business" means a legal cannabis business that has been in existence for three years or less.

(e) "Program" means the CanStartup grant program.

(f) "Social equity applicant" means a person who meets the qualification requirements in section 342.15.

Subd. 3. **Grants.** (a) The commissioner shall establish a revolving loan account to make grants under the CanStartup program.

(b) The commissioner must award grants to nonprofit corporations through a competitive grant process.

(c) To receive grant money, a nonprofit corporation must submit a written application to the commissioner using a form developed by the commissioner.

(d) In awarding grants under this subdivision, the commissioner shall give weight to whether the nonprofit corporation:

(1) has a board of directors that includes citizens experienced in business and community development, new business enterprises, and creating jobs for people facing barriers to education or employment;

(2) has the technical skills to analyze projects;

(3) is familiar with other available public and private funding sources and economic development programs;

(4) can initiate and implement economic development projects;

(5) can establish and administer a revolving loan account;

(6) can work with job referral networks that assist people facing barriers to education or employment; and

(7) has established relationships with communities where long-term residents are eligible to be social equity applicants.

The commissioner shall make grants that will assist a broad range of businesses in the legal cannabis industry, including the processing and retail sectors.

(e) A nonprofit corporation that receives a grant under the program must:

(1) establish a commissioner-certified revolving loan account for the purpose of making eligible loans; and

(2) enter into an agreement with the commissioner that the commissioner shall fund loans that the nonprofit corporation makes to new businesses in the legal cannabis industry. The commissioner shall review existing agreements with nonprofit corporations every five years and may renew or terminate an agreement based on that review. In making this review, the commissioner shall consider, among other criteria, the criteria in paragraph (d).

Subd. 4. **Loans to businesses.** (a) The criteria in this subdivision apply to loans made by nonprofit corporations under the program.

(b) Loans must be used to support a new business in the legal cannabis industry. Priority must be given to loans to businesses owned by individuals who are eligible to be social equity applicants and businesses located in communities where long-term residents are eligible to be social equity applicants.

(c) Loans must be made to businesses that are not likely to undertake the project for which loans are sought without assistance from the program.

(d) The minimum state contribution to a loan is \$2,500 and the maximum is either:

(1) \$50,000; or

(2) \$150,000, if state contributions are matched by an equal or greater amount of new private investment.

(e) Loan applications given preliminary approval by the nonprofit corporation must be forwarded to the commissioner for approval. The commissioner must give final approval for each loan made by the nonprofit corporation under the program.

(f) A business that receives a loan may apply to renew the loan. Renewal applications must be made on an annual basis and a business may receive loans for up to six consecutive years. A nonprofit corporation may renew a loan to a business that is no longer a new business provided the business would otherwise qualify for an initial loan and is in good standing with the nonprofit corporation and the commissioner. A nonprofit corporation may adjust the amount of a renewed loan, or not renew a loan, if the nonprofit corporation determines that the business is financially stable and is substantially likely to continue the project for which the loan renewal is sought.

(g) If a borrower has met lender criteria, including being current with all payments for a minimum of three years, the commissioner may approve either full or partial forgiveness of interest or principal amounts.

Subd. 5. **Revolving loan account administration.** (a) The commissioner shall establish a minimum interest rate for loans or guarantees to ensure that necessary loan administration costs are covered. The interest rate charged by a nonprofit corporation for a loan under this section must not exceed the Wall Street Journal prime rate. For a loan under this section, the nonprofit corporation may charge a loan origination fee equal to or less than one percent of the loan value. The nonprofit corporation may retain the amount of the origination fee.

(b) Loan repayment of principal must be paid to the commissioner for deposit in the revolving loan account. Loan interest payments must be deposited in a revolving loan account created by the nonprofit corporation originating the loan being repaid for further distribution or use, consistent with the criteria of this section.

(c) Administrative expenses of the nonprofit corporations with whom the commissioner enters into agreements, including expenses incurred by a nonprofit corporation in providing financial, technical, managerial, and marketing assistance to a business receiving a loan under this section, are eligible program expenses the commissioner may agree to pay under the grant agreement.

Subd. 6. **Program outreach.** The commissioner shall make extensive efforts to publicize this program, including through partnerships with community organizations, particularly those organizations located in areas where long-term residents are eligible to be social equity applicants.

Subd. 7. **Reporting requirements.** (a) A nonprofit corporation that receives a grant shall:

(1) submit an annual report to the commissioner by February 1 of each year that the nonprofit corporation participates in the program that includes a description of businesses supported by the grant program, an account of loans made during the calendar year, the program's impact on business creation and job creation, particularly in communities where long-term residents are eligible to be social equity applicants, the source and amount of money collected and distributed by the program, the program's assets and liabilities, and an explanation of administrative expenses; and

(2) provide for an independent annual audit to be performed in accordance with generally accepted accounting practices and auditing standards and submit a copy of each annual audit report to the commissioner.

(b) By March 1, 2024, and each March 1 thereafter, the commissioner must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over economic development that details awards given through the CanStartup program and the use of grant money, including any measures of success toward financing new businesses in the legal cannabis industry and creating jobs in communities where long-term residents are eligible to be social equity applicants.

Sec. 2. [116J.6595] CANNABIS INDUSTRY NAVIGATION GRANTS.

Subdivision 1. **Establishment.** The commissioner of employment and economic development shall establish CanNavigate, a program to award grants to eligible organizations to help individuals navigate the regulatory structure of the legal cannabis industry.

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

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

(c) "Eligible organization" means any organization capable of helping individuals navigate the regulatory structure of the legal cannabis industry, particularly individuals facing barriers to education or employment, and may include educational institutions, nonprofit organizations, private businesses, community groups, units of local government, or partnerships between different types of organizations.

(d) "Industry" means the legal cannabis industry in the state of Minnesota.

(e) "Program" means the CanNavigate grant program.

(f) "Social equity applicant" means a person who meets the qualification requirements in section 342.15.

Subd. 3. **Grants to organizations.** (a) Grant money awarded to eligible organizations may be used for both developing technical assistance resources relevant to the regulatory structure of the legal cannabis industry and for providing technical assistance or navigation services to individuals.

(b) The commissioner must award grants to eligible organizations through a competitive grant process.

(c) To receive grant money, an eligible organization must submit a written application to the commissioner, using a form developed by the commissioner, explaining the organization's ability to assist individuals in navigating the regulatory structure of the legal cannabis industry, particularly individuals facing barriers to education or employment.

(d) An eligible organization's grant application must also include:

(1) a description of the proposed technical assistance or navigation services, including the types of individuals targeted for assistance;

(2) any evidence of the organization's past success in providing technical assistance or navigation services to individuals, particularly individuals who live in areas where long-term residents are eligible to be social equity applicants;

(3) an estimate of the cost of providing the technical assistance;

(4) the sources and amounts of any nonstate money or in-kind contributions that will supplement grant money, including any amounts that individuals will be charged to receive assistance; and

(5) any additional information requested by the commissioner.

(e) In awarding grants under this subdivision, the commissioner shall give weight to applications from organizations that demonstrate a history of successful technical assistance or navigation services, particularly for individuals facing barriers to education or employment. The commissioner shall also give weight to applications where the proposed technical assistance will serve areas where long-term residents are eligible to be social equity applicants. To the extent practicable, the commissioner shall fund technical assistance for a variety of sectors in the legal cannabis industry, including both processing and retail sectors.

Subd. 4. **Program outreach.** The commissioner shall make extensive efforts to publicize these grants, including through partnerships with community organizations, particularly those organizations located in areas where long-term residents are eligible to be social equity applicants.

Subd. 5. **Reports to the legislature.** By January 15, 2024, and each January 15 thereafter, the commissioner must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over economic development that details awards given through the CanNavigate program and the use of grant money, including any measures of success toward helping individuals navigate the regulatory structure of the legal cannabis industry.

Sec. 3. **[116L.90] CANNABIS INDUSTRY TRAINING GRANTS.**

Subdivision 1. **Establishment.** The commissioner of employment and economic development shall establish CanTrain, a program to award grants to (1) eligible organizations to train people for work in the legal cannabis industry, and (2) eligible individuals to acquire such training.

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

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

(c) "Eligible organization" means any organization capable of providing training relevant to the legal cannabis industry, particularly for individuals facing barriers to education or employment, and may include educational institutions, nonprofit organizations, private businesses, community groups, units of local government, or partnerships between different types of organizations.

(d) "Eligible individual" means a Minnesota resident who is 21 years old or older.

(e) "Industry" means the legal cannabis industry in Minnesota.

(f) "Program" means the CanTrain grant program.

(g) "Social equity applicant" means a person who meets the qualification requirements in section 342.15.

Subd. 3. **Grants to organizations.** (a) Grant money awarded to eligible organizations may be used for both developing a training program relevant to the legal cannabis industry and for providing such training to individuals.

(b) The commissioner must award grants to eligible organizations through a competitive grant process.

(c) To receive grant money, an eligible organization must submit a written application to the commissioner, using a form developed by the commissioner, explaining the organization's ability to train individuals for successful careers in the legal cannabis industry, particularly individuals facing barriers to education or employment.

(d) An eligible organization's grant application must also include:

(1) a description of the proposed training;

(2) an analysis of the degree of demand in the legal cannabis industry for the skills gained through the proposed training;

(3) any evidence of the organization's past success in training individuals for successful careers, particularly in new or emerging industries;

(4) an estimate of the cost of providing the proposed training;

(5) the sources and amounts of any nonstate funds or in-kind contributions that will supplement grant money, including any amounts that individuals will be charged to participate in the training; and

(6) any additional information requested by the commissioner.

(e) In awarding grants under this subdivision, the commissioner shall give weight to applications from organizations that demonstrate a history of successful career training, particularly for individuals facing barriers to education or employment. The commissioner shall also give weight to applications where the proposed training will:

(1) result in an industry-relevant credential; or

(2) include opportunities for hands-on or on-site experience in the industry.

The commissioner shall fund training for a broad range of careers in the legal cannabis industry, including both potential business owners and employees and for work in the growing, processing, and retail sectors of the legal cannabis industry.

Subd. 4. **Grants to individuals.** (a) The commissioner shall award grants of up to \$20,000 to eligible individuals to pursue a training program relevant to a career in the legal cannabis industry.

(b) To receive grant money, an eligible individual must submit a written application to the commissioner, using a form developed by the commissioner, identifying a training program relevant to the legal cannabis industry and the estimated cost of completing that training. The application must also indicate whether:

(1) the applicant is eligible to be a social equity applicant;

(2) the proposed training program results in an industry-relevant credential; and

(3) the proposed training program includes opportunities for hands-on or on-site experience in the industry.

The commissioner shall attempt to make the application process simple for individuals to complete, such as by publishing lists of industry-relevant training programs along with the training program's estimated cost of completing the training programs and whether the training programs will result in an industry-relevant credential or include opportunities for hands-on or on-site experience in the legal cannabis industry.

(c) The commissioner must award grants to eligible individuals through a lottery process. Applicants who have filed complete applications by the deadline set by the commissioner shall receive one entry in the lottery, plus one additional entry for each of the following:

(1) being eligible to be a social equity applicant;

(2) seeking to enroll in a training program that results in an industry-relevant credential; and

(3) seeking to enroll in a training program that includes opportunities for hands-on or on-site experience in the industry.

(d) Grant money awarded to eligible individuals shall be used to pay the costs of enrolling in a training program relevant to the legal cannabis industry, including tuition, fees, and materials costs. Grant money may also be used to remove external barriers to attending such a training program, such as the cost of child care, transportation, or other expenses approved by the commissioner.

Subd. 5. **Program outreach.** The commissioner shall make extensive efforts to publicize these grants, including through partnerships with community organizations, particularly those organizations located in areas where long-term residents are eligible to be social equity applicants.

Subd. 6. **Reports to the legislature.** By January 15, 2024, and each January 15 thereafter, the commissioner must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over workforce development that

describes awards given through the CanTrain program and the use of grant money, including any measures of success toward training people for successful careers in the legal cannabis industry.

ARTICLE 4

CRIMINAL PENALTIES

Section 1. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 25. **Cannabis product.** "Cannabis product" has the meaning given in section 342.01, subdivision 19.

Sec. 2. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 26. **Cannabis concentrate.** "Cannabis concentrate" has the meaning given in section 342.01, subdivision 14.

Sec. 3. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 27. **Cannabis flower.** "Cannabis flower" has the meaning given in section 342.01, subdivision 15.

Sec. 4. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 28. **Edible cannabis product.** "Edible cannabis product" has the meaning given in section 342.01, subdivision 29.

Sec. 5. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 29. **Cannabis plant.** "Cannabis plant" has the meaning given in section 342.01, subdivision 18.

Sec. 6. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 30. **Synthetically derived cannabinoid.** "Synthetically derived cannabinoid" has the meaning given in section 342.01, subdivision 67.

Sec. 7. Minnesota Statutes 2022, section 152.021, subdivision 2, is amended to read:

Subd. 2. **Possession crimes.** (a) A person is guilty of a controlled substance crime in the first degree if:

(1) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing cocaine or methamphetamine;

(2) the person unlawfully possesses one or more mixtures of a total weight of 25 grams or more containing cocaine or methamphetamine and:

(i) the person or an accomplice possesses on their person or within immediate reach, or uses, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm; or

(ii) the offense involves two aggravating factors;

(3) the person unlawfully possesses one or more mixtures of a total weight of 25 grams or more containing heroin;

(4) the person unlawfully possesses one or more mixtures of a total weight of 500 grams or more containing a narcotic drug other than cocaine, heroin, or methamphetamine;

(5) the person unlawfully possesses one or more mixtures of a total weight of 500 grams or more containing amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 500 or more dosage units; or

(6) the person unlawfully possesses one or more mixtures of a total weight of 50 kilograms or more containing marijuana or Tetrahydrocannabinols, ~~or possesses 500 or more marijuana plants.~~

(b) For the purposes of this subdivision, the weight of fluid used in a water pipe may not be considered in measuring the weight of a mixture except in cases where the mixture contains four or more fluid ounces of fluid.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 8. Minnesota Statutes 2022, section 152.022, subdivision 1, is amended to read:

Subdivision 1. **Sale crimes.** A person is guilty of controlled substance crime in the second degree if:

(1) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing a narcotic drug other than heroin;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of three grams or more containing cocaine or methamphetamine and:

(i) the person or an accomplice possesses on their person or within immediate reach, or uses, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm; or

(ii) the offense involves three aggravating factors;

(3) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of three grams or more containing heroin;

(4) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 50 or more dosage units;

~~(5) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten kilograms or more containing marijuana or Tetrahydrocannabinols;~~

~~(6)~~ (5) the person unlawfully sells any amount of a Schedule I or II narcotic drug to a person under the age of 18, or conspires with or employs a person under the age of 18 to unlawfully sell the substance; or

~~(7)~~ (6) the person unlawfully sells any of the following in a school zone, a park zone, a public housing zone, or a drug treatment facility:

(i) any amount of a Schedule I or II narcotic drug, lysergic acid diethylamide (LSD), 3,4-methylenedioxy amphetamine, or 3,4-methylenedioxymethamphetamine; or

(ii) one or more mixtures containing methamphetamine or amphetamine; or

~~(iii) one or more mixtures of a total weight of five kilograms or more containing marijuana or Tetrahydrocannabinols.~~

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to crimes committed on or after that date.

Sec. 9. Minnesota Statutes 2022, section 152.022, subdivision 2, is amended to read:

Subd. 2. **Possession crimes.** (a) A person is guilty of controlled substance crime in the second degree if:

(1) the person unlawfully possesses one or more mixtures of a total weight of 25 grams or more containing cocaine or methamphetamine;

(2) the person unlawfully possesses one or more mixtures of a total weight of ten grams or more containing cocaine or methamphetamine and:

(i) the person or an accomplice possesses on their person or within immediate reach, or uses, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm; or

(ii) the offense involves three aggravating factors;

(3) the person unlawfully possesses one or more mixtures of a total weight of six grams or more containing heroin;

(4) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing a narcotic drug other than cocaine, heroin, or methamphetamine;

(5) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 100 or more dosage units; or

(6) the person unlawfully possesses one or more mixtures of a total weight of 25 kilograms or more containing marijuana or Tetrahydrocannabinols, ~~or possesses 100 or more marijuana plants.~~

(b) For the purposes of this subdivision, the weight of fluid used in a water pipe may not be considered in measuring the weight of a mixture except in cases where the mixture contains four or more fluid ounces of fluid.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 10. Minnesota Statutes 2022, section 152.023, subdivision 1, is amended to read:

Subdivision 1. **Sale crimes.** A person is guilty of controlled substance crime in the third degree if:

(1) the person unlawfully sells one or more mixtures containing a narcotic drug;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures containing phencyclidine or hallucinogen, it is packaged in dosage units, and equals ten or more dosage units;

(3) the person unlawfully sells one or more mixtures containing a controlled substance classified in Schedule I, II, or III, except a Schedule I or II narcotic drug, cannabis flower, or cannabis products to a person under the age of 18; or

(4) the person conspires with or employs a person under the age of 18 to unlawfully sell one or more mixtures containing a controlled substance listed in Schedule I, II, or III, except a Schedule I or II narcotic drug; ~~or,~~ cannabis flower, or cannabis products.

~~(5) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of five kilograms or more containing marijuana or Tetrahydrocannabinols.~~

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to crimes committed on or after that date.

Sec. 11. Minnesota Statutes 2022, section 152.023, subdivision 2, is amended to read:

Subd. 2. **Possession crimes.** (a) A person is guilty of controlled substance crime in the third degree if:

(1) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures of a total weight of ten grams or more containing a narcotic drug other than heroin;

(2) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures of a total weight of three grams or more containing heroin;

(3) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures containing a narcotic drug, it is packaged in dosage units, and equals 50 or more dosage units;

(4) on one or more occasions within a 90-day period the person unlawfully possesses any amount of a schedule I or II narcotic drug or five or more dosage units of lysergic acid diethylamide (LSD), 3,4-methylenedioxy amphetamine, or 3,4-methylenedioxymethamphetamine in a school zone, a park zone, a public housing zone, or a drug treatment facility;

(5) on one or more occasions within a 90-day period the person unlawfully possesses ~~one or more mixtures of a total weight of ten kilograms or more containing marijuana or Tetrahydrocannabinols;~~

(i) more than ten kilograms of cannabis flower;

(ii) more than two kilograms of cannabis concentrate; or

(iii) edible cannabis products infused with more than 200 grams of tetrahydrocannabinol; or

(6) the person unlawfully possesses one or more mixtures containing methamphetamine or amphetamine in a school zone, a park zone, a public housing zone, or a drug treatment facility.

(b) For the purposes of this subdivision, the weight of fluid used in a water pipe may not be considered in measuring the weight of a mixture except in cases where the mixture contains four or more fluid ounces of fluid.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 12. Minnesota Statutes 2022, section 152.024, subdivision 1, is amended to read:

Subdivision 1. **Sale crimes.** A person is guilty of controlled substance crime in the fourth degree if:

(1) the person unlawfully sells one or more mixtures containing a controlled substance classified in Schedule I, II, or III, except marijuana or Tetrahydrocannabinols;

(2) the person unlawfully sells one or more mixtures containing a controlled substance classified in Schedule IV or V to a person under the age of 18; or

(3) the person conspires with or employs a person under the age of 18 to unlawfully sell a controlled substance classified in Schedule IV or V; or

~~(4) the person unlawfully sells any amount of marijuana or Tetrahydrocannabinols in a school zone, a park zone, a public housing zone, or a drug treatment facility, except a small amount for no remuneration.~~

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to crimes committed on or after that date.

Sec. 13. Minnesota Statutes 2022, section 152.025, subdivision 1, is amended to read:

Subdivision 1. **Sale crimes.** A person is guilty of a controlled substance crime in the fifth degree and upon conviction may be sentenced as provided in subdivision 4 if:

~~(1) the person unlawfully sells one or more mixtures containing marijuana or tetrahydrocannabinols, except a small amount of marijuana for no remuneration; or~~

(2) the person unlawfully sells one or more mixtures containing a controlled substance classified in Schedule IV.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to crimes committed on or after that date.

Sec. 14. Minnesota Statutes 2022, section 152.025, subdivision 2, is amended to read:

Subd. 2. **Possession and other crimes.** A person is guilty of controlled substance crime in the fifth degree and upon conviction may be sentenced as provided in subdivision 4 if:

(1) the person unlawfully possesses one or more mixtures containing a controlled substance classified in Schedule I, II, III, or IV, ~~except a small amount of marijuana~~ cannabis flower or cannabis products; or

(2) the person procures, attempts to procure, possesses, or has control over a controlled substance by any of the following means:

(i) fraud, deceit, misrepresentation, or subterfuge;

(ii) using a false name or giving false credit; or

(iii) falsely assuming the title of, or falsely representing any person to be, a manufacturer, wholesaler, pharmacist, physician, doctor of osteopathic medicine licensed to practice medicine, dentist, podiatrist, veterinarian, or other authorized person for the purpose of obtaining a controlled substance.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 15. **[152.0263] CANNABIS POSSESSION CRIMES.**

Subdivision 1. Possession of cannabis in the first degree. A person is guilty of cannabis possession in the first degree and may be sentenced to imprisonment of not more than five years or to payment of a fine of not more than \$10,000, or both, if the person unlawfully possesses any of the following:

(1) more than two pounds but not more than ten kilograms of cannabis flower in any place other than the person's residence;

(2) more than two pounds but not more than ten kilograms of cannabis flower derived from sources other than the home cultivation of cannabis plants authorized in section 342.09, subdivision 2, in the person's residence;

(3) more than five pounds but not more than ten kilograms of cannabis flower, regardless of the cannabis' source, in the person's residence;

(4) more than 160 grams but not more than two kilograms of cannabis concentrate; or

(5) edible cannabis products infused with more than 16 grams but not more than 200 grams of tetrahydrocannabinol.

Subd. 2. **Possession of cannabis in the second degree.** A person is guilty of cannabis possession in the second degree and may be sentenced to imprisonment of not more than one year or to payment of a fine of not more than \$3,000, or both, if the person unlawfully possesses any of the following:

(1) more than one pound but not more than two pounds of cannabis flower in any place other than the person's residence;

(2) more than 80 grams but not more than 160 grams of cannabis concentrate; or

(3) edible cannabis products infused with more than eight grams but not more than 16 grams of tetrahydrocannabinol.

Subd. 3. **Possession of cannabis in the third degree.** A person is guilty of cannabis possession in the third degree and may be sentenced to imprisonment of not more than 90 days or to payment of a fine of not more than \$1,000, or both, if the person unlawfully possesses any of the following:

(1) more than four ounces but not more than one pound of cannabis flower in any place other than the person's residence;

(2) more than 16 grams but not more than 80 grams of cannabis concentrate; or

(3) edible cannabis products infused with more than 1,600 milligrams but not more than eight grams of tetrahydrocannabinol.

Subd. 4. **Possession of cannabis in the fourth degree.** A person is guilty of a petty misdemeanor if the person unlawfully possesses any of the following:

(1) more than two ounces but not more than four ounces of cannabis flower in any place other than the person's residence;

(2) more than eight grams but not more than 16 grams of cannabis concentrate; or

(3) edible cannabis products infused with more than 800 milligrams but not more than 1,600 milligrams of tetrahydrocannabinol.

Subd. 5. **Use of cannabis in a motor vehicle.** (a) A person is guilty of a crime and may be sentenced to imprisonment of not more than 90 days or to payment of a fine of not more than \$1,000, or both, if the person unlawfully uses cannabis flower or cannabis products while driving, operating, or being in physical control of any motor vehicle, as defined in section 169A.03, subdivision 15.

(b) The State Patrol must increase enforcement of this subdivision annually on April 20. Other law enforcement agencies are encouraged to increase enforcement of this subdivision annually on April 20.

Subd. 6. **Use of cannabis in public.** A local unit of government may adopt an ordinance establishing a petty misdemeanor offense for a person who unlawfully uses cannabis flower or

cannabis products in a public place provided that the definition of public place does not include the following:

(1) a private residence, including the person's curtilage or yard;

(2) private property not generally accessible by the public, unless the person is explicitly prohibited from consuming cannabis flower or cannabis products on the property by the owner of the property; or

(3) the premises of an establishment or event licensed to permit on-site consumption.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 16. [152.0264] CANNABIS SALE CRIMES.

Subdivision 1. **Sale of cannabis in the first degree.** A person is guilty of the sale of cannabis in the first degree and may be sentenced to imprisonment of not more than five years or to payment of a fine of not more than \$10,000, or both, if the person unlawfully sells more than two ounces of cannabis flower, more than eight grams of cannabis concentrate, or edible cannabis products infused with more than 800 milligrams of tetrahydrocannabinol:

(1) to a minor and the defendant is an adult who is more than 36 months older than the minor;

(2) within ten years of two or more convictions for the unlawful sale of more than two ounces of cannabis flower, more than eight grams of cannabis concentrate, or edible cannabis products infused with more than 800 milligrams of tetrahydrocannabinol; or

(3) within ten years of a conviction under this subdivision.

Subd. 2. **Sale of cannabis in the second degree.** A person is guilty of sale of cannabis in the second degree and may be sentenced to imprisonment of not more than one year or to payment of a fine of not more than \$3,000, or both, if the person unlawfully sells more than two ounces of cannabis flower, more than eight grams of cannabis concentrate, or edible cannabis products infused with more than 800 milligrams of tetrahydrocannabinol:

(1) to a minor and the defendant is an adult who is not more than 36 months older than the minor;

(2) in a school zone, a park zone, a public housing zone, or a drug treatment facility; or

(3) within ten years of a conviction for the unlawful sale of more than two ounces of cannabis flower, more than eight grams of cannabis concentrate, or edible cannabis products infused with more than 800 milligrams of tetrahydrocannabinol.

Subd. 3. **Sale of cannabis in the third degree.** A person is guilty of sale of cannabis in the third degree and may be sentenced to imprisonment of not more than 90 days or to payment of a fine of not more than \$1,000, or both, if the person unlawfully sells:

(1) more than two ounces of cannabis flower;

(2) more than eight grams of cannabis concentrate; or

(3) edible cannabis products infused with more than 800 milligrams of tetrahydrocannabinol.

Subd. 4. **Sale of cannabis in the fourth degree.** (a) A person is guilty of a petty misdemeanor if the person unlawfully sells:

(1) not more than two ounces of cannabis flower;

(2) not more than eight grams of cannabis concentrate; or

(3) edible cannabis products infused with not more than 800 milligrams of tetrahydrocannabinol.

(b) A sale for no remuneration by an individual over the age of 21 to another individual over the age of 21 is not an unlawful sale under this subdivision.

Subd. 5. **Sale of cannabis by a minor.** (a) A minor is guilty of a petty misdemeanor if:

(1) the minor unlawfully sells cannabis flower, cannabis concentrate, or cannabis products; and

(2) the minor has not previously received a petty misdemeanor disposition or been adjudicated delinquent for committing an act in violation of this section.

(b) A minor sentenced under this subdivision is required to participate in a drug education program unless the court enters a written finding that a drug education program is inappropriate. The program must be approved by an area mental health board with a curriculum approved by the state alcohol and drug abuse authority.

(c) A minor who receives a disposition pursuant to this subdivision is required to perform community service.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to crimes committed on or after that date.

Sec. 17. **[152.0265] CANNABIS CULTIVATION CRIMES.**

Subdivision 1. **Cultivation of cannabis in the first degree.** A person is guilty of cultivation of cannabis in the first degree and may be sentenced to imprisonment of not more than five years or to payment of a fine of not more than \$10,000, or both, if the person unlawfully cultivates more than 23 cannabis plants.

Subd. 2. **Cultivation of cannabis in the second degree.** A person is guilty of cultivation of cannabis in the second degree and may be sentenced to imprisonment of not more than one year or to payment of a fine of not more than \$3,000, or both, if the person unlawfully cultivates more than 16 cannabis plants but not more than 23 cannabis plants.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 18. **[169A.36] OPEN PACKAGE LAW.**

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

(1) "synthetically derived cannabinoid" has the meaning given in section 342.01, subdivision 67;

(2) "cannabis product" has the meaning given in section 342.01, subdivision 2;

(3) "cannabis flower" has the meaning given in section 342.01, subdivision 16;

(4) "motor vehicle" does not include motorboats in operation or off-road recreational vehicles except while operated on a roadway or shoulder of a roadway that is not part of a grant-in-aid trail or trail designated for that vehicle by the commissioner of natural resources; and

(5) "possession" means either that the person had actual possession of the package or that the person consciously exercised dominion and control over the package.

Subd. 2. **Use; crime described.** It is a crime for a person to use cannabis flower, a cannabis product, or any product containing a synthetically derived cannabinoid in a motor vehicle when the vehicle is on a street or highway.

Subd. 3. **Possession; crime described.** It is a crime for a person to have in possession, while in a private motor vehicle on a street or highway, any cannabis flower, a cannabis product, or any product containing a synthetically derived cannabinoid that:

(1) is in packaging or another container that does not comply with the relevant packaging requirements in chapter 152 or 342;

(2) has been removed from the packaging in which it was sold;

(3) is in packaging that has been opened or the seal has been broken; or

(4) is in packaging of which the contents have been partially removed.

Subd. 4. **Liability of nonpresent owner; crime described.** It is a crime for the owner of any private motor vehicle or the driver, if the owner is not present in the motor vehicle, to keep or allow to be kept in a motor vehicle when the vehicle is on a street or highway cannabis flower, a cannabis product, or any product containing a synthetically derived cannabinoid that:

(1) is in packaging or another container that does not comply with the relevant packaging requirements in chapter 152 or 342;

(2) has been removed from the packaging in which it was sold;

(3) is in packaging that has been opened or the seal has been broken; or

(4) is in packaging of which the contents have been partially removed.

Subd. 5. **Criminal penalty.** A person who violates subdivision 2, 3, or 4 is guilty of a misdemeanor.

Subd. 6. **Exceptions.** (a) This section does not prohibit the possession or consumption of cannabis flower, a cannabis product, or any other product containing a synthetically derived cannabinoid by passengers in:

(1) a bus that is operated by a motor carrier of passengers as defined in section 221.012, subdivision 26;

(2) a vehicle that is operated for commercial purposes in a manner similar to a bicycle as defined in section 169.011, subdivision 4, with five or more passengers who provide pedal power to the drive train of the vehicle; or

(3) a vehicle providing limousine service as defined in section 221.84, subdivision 1.

(b) Subdivisions 3 and 4 do not apply to: (1) a package that is in the trunk of the vehicle if the vehicle is equipped with a trunk; or (2) a package that is in another area of the vehicle not normally occupied by the driver and passengers if the vehicle is not equipped with a trunk. A utility compartment or glove compartment is deemed to be within the area occupied by the driver and passengers.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 19. Minnesota Statutes 2022, section 609.135, subdivision 1, is amended to read:

Subdivision 1. **Terms and conditions.** (a) Except when a sentence of life imprisonment is required by law, or when a mandatory minimum sentence is required by section 609.11, any court may stay imposition or execution of sentence and:

(1) may order intermediate sanctions without placing the defendant on probation; or

(2) may place the defendant on probation with or without supervision and on the terms the court prescribes, including intermediate sanctions when practicable. The court may order the supervision to be under the probation officer of the court, or, if there is none and the conviction is for a felony or gross misdemeanor, by the commissioner of corrections, or in any case by some other suitable and consenting person. Unless the court directs otherwise, state parole and probation agents and probation officers may impose community work service or probation violation sanctions, consistent with section 243.05, subdivision 1; sections 244.196 to 244.199; or 401.02, subdivision 5.

No intermediate sanction may be ordered performed at a location that fails to observe applicable requirements or standards of chapter 181A or 182, or any rule promulgated under them.

(b) For purposes of this subdivision, subdivision 6, and section 609.14, the term "intermediate sanctions" includes but is not limited to incarceration in a local jail or workhouse, home detention, electronic monitoring, intensive probation, sentencing to service, reporting to a day reporting center, chemical dependency or mental health treatment or counseling, restitution, fines, day-fines, community work service, work service in a restorative justice program, work in lieu of or to work off fines and, with the victim's consent, work in lieu of or to work off restitution.

(c) A court may not stay the revocation of the driver's license of a person convicted of violating the provisions of section 169A.20.

(d) If the court orders a fine, day-fine, or restitution as an intermediate sanction, payment is due on the date imposed unless the court otherwise establishes a due date or a payment plan.

(e) The court may prohibit a defendant from using adult-use cannabis flower as defined in section 342.01, subdivision 4, or adult-use cannabis products as defined in section 342.01, subdivision 2, if the defendant undergoes a chemical use assessment and abstinence is consistent with a recommended level of care for the defendant in accordance with the criteria in rules adopted by the commissioner of human services under section 254A.03, subdivision 3. The assessment must be conducted by an assessor qualified under rules adopted by the commissioner of human services under section 254A.03, subdivision 3. An assessor providing a chemical use assessment 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 probation officer 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.

(f) A court shall not impose an intermediate sanction that has the effect of prohibiting a person from participating in the registry program as defined in section 342.01, subdivision 63.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to sentences ordered on or after that date.

Sec. 20. Minnesota Statutes 2022, section 609.5311, subdivision 1, is amended to read:

Subdivision 1. **Controlled substances.** All controlled substances that were manufactured, distributed, dispensed, or acquired in violation of chapter 152 or 342 are subject to forfeiture under this section, except as provided in subdivision 3 and section 609.5316.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to violations committed on or after that date.

Sec. 21. Minnesota Statutes 2022, section 609.5314, subdivision 1, is amended to read:

Subdivision 1. **Property subject to administrative forfeiture.** (a) The following are subject to administrative forfeiture under this section:

(1) all money totaling \$1,500 or more, precious metals, and precious stones that there is probable cause to believe represent the proceeds of a controlled substance offense;

(2) all money found in proximity to controlled substances when there is probable cause to believe that the money was exchanged for the purchase of a controlled substance;

(3) all conveyance devices containing controlled substances with a retail value of \$100 or more if there is probable cause to believe that the conveyance device was used in the transportation or exchange of a controlled substance intended for distribution or sale; and

(4) all firearms, ammunition, and firearm accessories found:

(i) in a conveyance device used or intended for use to commit or facilitate the commission of a felony offense involving a controlled substance;

(ii) on or in proximity to a person from whom a felony amount of controlled substance is seized;
or

(iii) on the premises where a controlled substance is seized and in proximity to the controlled substance, if possession or sale of the controlled substance would be a felony under chapter 152.

(b) The Department of Corrections Fugitive Apprehension Unit shall not seize items listed in paragraph (a), clauses (3) and (4), for the purposes of forfeiture.

(c) Money is the property of an appropriate agency and may be seized and recovered by the appropriate agency if:

(1) the money is used by an appropriate agency, or furnished to a person operating on behalf of an appropriate agency, to purchase or attempt to purchase a controlled substance; and

(2) the appropriate agency records the serial number or otherwise marks the money for identification.

(d) As used in this section, "money" means United States currency and coin; the currency and coin of a foreign country; a bank check, cashier's check, or traveler's check; a prepaid credit card; cryptocurrency; or a money order.

(e) As used in this section, "controlled substance" does not include cannabis flower as defined in section 342.01, subdivision 16, or cannabis product as defined in section 342.01, subdivision 2.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 22. Minnesota Statutes 2022, section 609.5316, subdivision 2, is amended to read:

Subd. 2. **Controlled substances.** (a) Controlled substances listed in Schedule I that are possessed, transferred, sold, or offered for sale in violation of chapter 152 or 342, are contraband and must be seized and summarily forfeited. Controlled substances listed in Schedule I that are seized or come into the possession of peace officers, the owners of which are unknown, are contraband and must be summarily forfeited.

(b) Species of plants from which controlled substances in Schedules I and II may be derived that have been planted or cultivated in violation of chapter 152 or of which the owners or cultivators are unknown, or that are wild growths, may be seized and summarily forfeited to the state. The appropriate agency or its authorized agent may seize the plants if the person in occupancy or in control of land or premises where the plants are growing or being stored fails to produce an appropriate registration or proof that the person is the holder of appropriate registration.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 23. DWI CONTROLLED SUBSTANCE ROADSIDE TESTING INSTRUMENT PILOT PROJECT; REPORT REQUIRED.

(a) The commissioner of public safety must design, plan, and implement a pilot project to study oral fluid roadside testing instruments to determine the presence of a controlled substance or intoxicating substance in individuals stopped or arrested for driving while impaired offenses. The pilot project must determine the practicality, accuracy, and efficacy of these testing instruments and determine and make recommendations on the best instrument or instruments to pursue in the future.

(b) The pilot project must begin on September 1, 2023, and continue until August 31, 2024.

(c) The commissioner must consult with law enforcement officials, prosecutors, criminal defense attorneys, and other interested and knowledgeable parties when designing, implementing, and evaluating the pilot project.

(d) All oral fluid samples obtained for the purpose of this pilot project must be obtained by a certified drug recognition evaluator and may only be collected with the express voluntary consent of the person stopped or arrested for suspicion of driving while impaired. Results of tests conducted under the pilot project are to be used for the purpose of analyzing the practicality, accuracy, and efficacy of the instrument. Results may not be used to decide whether an arrest should be made and are not admissible in any legal proceeding.

(e) By February 1, 2025, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety on the results of the pilot project. At a minimum, the report must include information on how accurate the instruments were when tested against laboratory results, how often participants were found to have controlled substances or intoxicating substances in their systems, how often there was commingling of controlled substances or intoxicating substances with alcohol, the types of controlled substances or intoxicating substances found in participants' systems and which types were most common, and the number of participants in the project. In addition, the report must assess the practicality and reliability of using the instruments in the field and make recommendations on continuing the project permanently.

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

ARTICLE 5

EXPUNGEMENT

Section 1. Minnesota Statutes 2022, section 152.18, subdivision 1, is amended to read:

Subdivision 1. **Deferring prosecution for certain first time drug offenders.** (a) A court may defer prosecution as provided in paragraph (c) for any person found guilty, after trial or upon a plea of guilty, of a violation of section 152.023, subdivision 2, 152.024, subdivision 2, 152.025, subdivision 2, or 152.027, subdivision 2, 3, 4, or 6, paragraph (d), for possession of a controlled substance, who:

(1) has not previously participated in or completed a diversion program authorized under section 401.065;

(2) has not previously been placed on probation without a judgment of guilty and thereafter been discharged from probation under this section; and

(3) has not been convicted of a felony violation of this chapter, including a felony-level attempt or conspiracy, or been convicted by the United States or another state of a similar offense that would have been a felony under this chapter if committed in Minnesota, unless ten years have elapsed since discharge from sentence.

(b) The court must defer prosecution as provided in paragraph (c) for any person found guilty of a violation of section 152.025, subdivision 2, who:

(1) meets the criteria listed in paragraph (a), clauses (1) to (3); and

(2) has not previously been convicted of a felony offense under any state or federal law or of a gross misdemeanor under section 152.025.

(c) In granting relief under this section, the court shall, without entering a judgment of guilty and with the consent of the person, defer further proceedings and place the person on probation upon such reasonable conditions as it may require and for a period, not to exceed the maximum sentence provided for the violation. The court may give the person the opportunity to attend and participate in an appropriate program of education regarding the nature and effects of alcohol and drug abuse as a stipulation of probation. Upon violation of a condition of the probation, the court may enter an adjudication of guilt and proceed as otherwise provided. The court may, in its discretion, dismiss the proceedings against the person and discharge the person from probation before the expiration of the maximum period prescribed for the person's probation. If during the period of probation the person does not violate any of the conditions of the probation, then upon expiration of the period the court shall discharge the person and dismiss the proceedings against that person. Discharge and dismissal under this subdivision shall be without court adjudication of guilt, but a not public record of it shall be retained by the Bureau of Criminal Apprehension for the purpose of use by the courts in determining the merits of subsequent proceedings against the person. The not public record may also be opened only upon court order for purposes of a criminal investigation, prosecution, or sentencing. Upon receiving notice that the proceedings were dismissed, the Bureau of Criminal Apprehension shall notify the arresting or citing law enforcement agency and direct that agency to seal the agency's records related to the dismissed charge. Upon request by law enforcement, prosecution, or corrections authorities, the bureau shall notify the requesting party of the existence of the not public record and the right to seek a court order to open it pursuant to this section. The court shall forward a record of any discharge and dismissal under this subdivision to the bureau which shall make and maintain the not public record of it as provided under this subdivision. The discharge or dismissal shall not be deemed a conviction for purposes of disqualifications or disabilities imposed by law upon conviction of a crime or for any other purpose.

For purposes of this subdivision, "not public" has the meaning given in section 13.02, subdivision 8a.

Sec. 2. Minnesota Statutes 2022, section 609A.01, is amended to read:

609A.01 EXPUNGEMENT OF CRIMINAL RECORDS.

This chapter provides the grounds and procedures for expungement of criminal records under section 13.82; 152.18, subdivision 1; 299C.11, where a petition is authorized under section 609A.02, subdivision 3; expungement is automatic under section 609A.05; expungement is considered by a panel under section 609A.06; or other applicable law. The remedy available is limited to a court order sealing the records and prohibiting the disclosure of their existence or their opening except under court order or statutory authority. Nothing in this chapter authorizes the destruction of records or their return to the subject of the records.

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

Sec. 3. Minnesota Statutes 2022, section 609A.03, subdivision 5, is amended to read:

Subd. 5. **Nature of remedy; standard.** (a) Except as otherwise provided by paragraph (b), expungement of a criminal record under this section is an extraordinary remedy to be granted only upon clear and convincing evidence that it would yield a benefit to the petitioner commensurate with the disadvantages to the public and public safety of:

(1) sealing the record; and

(2) burdening the court and public authorities to issue, enforce, and monitor an expungement order.

(b) Except as otherwise provided by this paragraph, if the petitioner is petitioning for the sealing of a criminal record under section 609A.02, subdivision 3, paragraph (a), clause (1) or (2), the court shall grant the petition to seal the record unless the agency or jurisdiction whose records would be affected establishes by clear and convincing evidence that the interests of the public and public safety outweigh the disadvantages to the petitioner of not sealing the record.

(c) In making a determination under this subdivision, the court shall consider:

(1) the nature and severity of the underlying crime, the record of which would be sealed;

(2) the risk, if any, the petitioner poses to individuals or society;

(3) the length of time since the crime occurred;

(4) the steps taken by the petitioner toward rehabilitation following the crime;

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

(6) the reasons for the expungement, including the petitioner's attempts to obtain employment, housing, or other necessities;

(7) the petitioner's criminal record;

(8) the petitioner's record of employment and community involvement;

(9) the recommendations of interested law enforcement, prosecutorial, and corrections officials;

(10) the recommendations of victims or whether victims of the underlying crime were minors;

(11) the amount, if any, of restitution outstanding, past efforts made by the petitioner toward payment, and the measures in place to help ensure completion of restitution payment after expungement of the record if granted; and

(12) other factors deemed relevant by the court.

(d) Notwithstanding section 13.82, 13.87, or any other law to the contrary, if the court issues an expungement order it may require that the criminal record be sealed, the existence of the record not be revealed, and the record not be opened except as required under subdivision 7. Records must not be destroyed or returned to the subject of the record.

(e) Information relating to a criminal history record of an employee, former employee, or tenant that has been expunged before the occurrence of the act giving rise to the civil action may not be introduced as evidence in a civil action against a private employer or landlord or its employees or agents that is based on the conduct of the employee, former employee, or tenant.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to crimes committed on or after that date.

Sec. 4. Minnesota Statutes 2022, section 609A.03, subdivision 9, is amended to read:

Subd. 9. **Stay of order; appeal.** An expungement order issued under this section shall be stayed automatically for 60 days after the order is filed and, if the order is appealed, during the appeal period. A person or an agency or jurisdiction whose records would be affected by the order may appeal the order within 60 days of service of notice of filing of the order. An agency or jurisdiction or its officials or employees need not file a cost bond or supersedeas bond in order to further stay the proceedings or file an appeal.

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

Sec. 5. **[609A.05] AUTOMATIC EXPUNGEMENT OF CERTAIN CANNABIS OFFENSES.**

Subdivision 1. Eligibility; dismissal, exoneration, or conviction of nonfelony cannabis offenses. (a) A person is eligible for expungement:

(1) upon the dismissal and discharge of proceedings against a person under section 152.18, subdivision 1, for violation of section 152.024, 152.025, or 152.027 for possession of marijuana or tetrahydrocannabinols;

(2) if the person was convicted of or received a stayed sentence for a violation of section 152.027, subdivision 3 or 4;

(3) if the person was arrested for possession of marijuana or tetrahydrocannabinols and all charges were dismissed after a case was filed, unless the dismissal was based on a finding that the defendant was incompetent to proceed; or

(4) if all pending actions or proceedings involving the possession of marijuana or tetrahydrocannabinols were resolved in favor of the person.

(b) For purposes of this section:

(1) a verdict of not guilty by reason of mental illness is not a resolution in favor of the person; and

(2) an action or proceeding is resolved in favor of the person if the person received an order under section 590.11 determining that the person is eligible for compensation based on exoneration.

Subd. 2. **Bureau of Criminal Apprehension to identify eligible individuals.** (a) The Bureau of Criminal Apprehension shall identify bureau records that qualify for expungement pursuant to subdivision 1.

(b) The Bureau of Criminal Apprehension shall notify the judicial branch of:

(1) the name and date of birth of each person whose case is eligible for an order of expungement; and

(2) the court file number of the eligible case.

Subd. 3. **Expungement relief; notification requirements.** (a) The Bureau of Criminal Apprehension shall grant expungement relief to each qualifying person and seal the bureau's records without requiring an application, petition, or motion. The bureau shall seal records related to an expungement within 60 days after the bureau sent notice of the expungement to the judicial branch pursuant to subdivision 2, paragraph (b), unless an order of the judicial branch prohibits sealing the records or additional information establishes that the records are not eligible for expungement.

(b) Nonpublic criminal records maintained by the bureau and subject to a grant of expungement relief must display a notation stating "expungement relief granted pursuant to section 609A.05."

(c) The bureau shall inform the judicial branch of all cases that are granted expungement relief pursuant to this section. The bureau may notify the judicial branch using electronic means and may notify the judicial branch immediately or in a monthly report. Upon receiving notice of an expungement, the judicial branch shall seal all related records, including records of the person's arrest, indictment, trial, verdict, and dismissal or discharge of the case. Upon receiving notice of an expungement, the judicial branch shall issue any order necessary to seal related records.

(d) The bureau shall inform each arresting or citing law enforcement agency or prosecutorial office with records affected by the grant of expungement relief issued pursuant to paragraph (a) that expungement has been granted. The bureau shall notify each agency or office of an expungement within 60 days after the bureau sent notice of the expungement to the judicial branch. The bureau may notify each agency or office using electronic means. Upon receiving notification of an expungement, an agency or office shall seal all records related to the expungement, including the records of the person's arrest, indictment, trial, verdict, and dismissal or discharge of the case. Notice must also clearly state that persons who are noncitizens may need copies of these records for immigration purposes, explain how they can obtain these copies after expungement or other granted relief, and state that a noncitizen should consult with an immigration attorney.

(e) Data on a person whose offense has been expunged under this subdivision, including any notice sent pursuant to paragraph (d), are private data on individuals as defined in section 13.02, subdivision 12.

(f) In any subsequent prosecution of a person with a prior expunged criminal record, a prosecutor may include the person's expunged criminal record in a complaint or other charging document if permitted by applicable law and the rules of criminal procedure.

(g) The subject whose record qualifies for expungement shall be given access to copies of the records of arrest, conviction, or incarceration for any purposes, including immigration purposes.

(h) Relief granted under this subdivision shall not impact the ability of a petitioner to file for relief under section 590.01.

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

Sec. 6. [609A.06] EXPUNGEMENT AND RESENTENCING OF FELONY CANNABIS OFFENSES.

Subdivision 1. Cannabis Expungement Board. (a) The Cannabis Expungement Board is created with the powers and duties established by law.

(b) The Cannabis Expungement Board is composed of the following members:

(1) the chief justice of the supreme court or a designee;

(2) the attorney general or a designee;

(3) one public defender, appointed by the governor upon recommendation of the state public defender;

(4) the commissioner of one department of the state government as defined in section 15.01, appointed by the governor; and

(5) one public member with experience as an advocate for victim's rights, appointed by the governor.

(c) The Cannabis Expungement Board shall have the following powers and duties:

(1) to obtain and review the records, including but not limited to all matters, files, documents, and papers incident to the arrest, indictment, information, trial, appeal, or dismissal and discharge, which relate to a charge for possession of a controlled substance;

(2) to determine whether a person committed an act involving the possession of cannabis flower or cannabis products that would either be a lesser offense or no longer be a crime after August 1, 2023;

(3) to determine whether a person's conviction should be vacated, charges should be dismissed, and records should be expunged, or whether the person should be resentenced to a lesser offense; and

(4) to notify the judicial branch of individuals eligible for an expungement or resentencing to a lesser offense.

(d) The Cannabis Expungement Board shall complete the board's work by June 30, 2028.

Subd. 2. **Eligibility; possession of cannabis.** (a) A person is eligible for an expungement or resentencing to a lesser offense if:

(1) the person was convicted of, or adjudication was stayed for, a violation of any of the following involving the possession of marijuana or tetrahydrocannabinols:

(i) section 152.021, subdivision 2, clause (6);

(ii) section 152.022, subdivision 2, clause (6);

(iii) section 152.023, subdivision 2, clause (5); or

(iv) section 152.025, subdivision 2, clause (1).

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

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

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

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

Subd. 3. **Bureau of Criminal Apprehension to identify eligible records.** (a) The Bureau of Criminal Apprehension shall identify convictions and sentences where adjudication was stayed that qualify for review under subdivision 2, paragraph (a), clause (1).

(b) The Bureau of Criminal Apprehension shall notify the Cannabis Expungement Board of:

(1) the name and date of birth of a person whose record is eligible for review; and

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

Subd. 4. **Access to records.** The Cannabis Expungement Board shall have free access to records, including but not limited to all matters, files, documents, and papers incident to the arrest, indictment, information, trial, appeal, or dismissal and discharge that relate to a charge and conviction or stay of adjudication for possession of a controlled substance held by law enforcement agencies, prosecuting authorities, and court administrators. The Cannabis Expungement Board may issue subpoenas for and compel the production of books, records, accounts, documents, and papers. If any person fails or refuses to produce any books, records, accounts, documents, or papers material in the matter under consideration after having been lawfully required by order or subpoena, any judge of the

district court in any county of the state where the order or subpoena was made returnable, on application of the commissioner of management and budget or commissioner of administration, as the case may be, shall compel obedience or punish disobedience as for contempt, as in the case of disobedience of a similar order or subpoena issued by such court.

Subd. 5. **Meetings; anonymous identifier.** (a) The Cannabis Expungement Board shall hold meetings at least monthly and shall hold a meeting whenever the board takes formal action on a review of a conviction or stay of adjudication for an offense involving the possession of marijuana or tetrahydrocannabinols. All board meetings shall be open to the public and subject to chapter 13D.

(b) Any victim of a crime being reviewed and any law enforcement agency may submit an oral or written statement at the meeting, giving a recommendation on whether a person's record should be expunged or the person should be resentenced to a lesser offense. The board must consider the victim's and the law enforcement agency's statement when making the board's decision.

(c) Section 13D.05 governs the board's treatment of not public data, as defined by section 13.02, subdivision 8a, discussed at open meetings of the board. Notwithstanding section 13.03, subdivision 11, the board shall assign an anonymous, unique identifier to each victim of a crime and person whose conviction or stay of adjudication the board reviews. The identifier shall be used in any discussion in a meeting open to the public and on any records available to the public to protect the identity of the person whose records are being considered.

Subd. 6. **Review and determination.** (a) The Cannabis Expungement Board shall review all available records to determine whether the conviction or stay of adjudication is eligible for an expungement or resentencing to a lesser offense. An expungement under this section is presumed to be in the public interest unless there is clear and convincing evidence that an expungement or resentencing to a lesser offense would create a risk to public safety.

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

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

(d) If the Cannabis Expungement Board determines that an expungement is in the public interest, the board shall determine whether the limitations under section 609A.03, subdivision 7a, paragraph (b), clause (4) or (5), apply.

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

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

(1) the nature and severity of the underlying crime, including but not limited to the total amount of marijuana or tetrahydrocannabinols possessed by the person and whether the offense involved a dangerous weapon, the intentional infliction of bodily harm on another, an attempt to inflict bodily

harm on another, or an act committed with the intent to cause fear in another of immediate bodily harm or death;

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

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

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

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

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

(7) if an expungement is considered, whether an expunged record of a conviction or stay of adjudication may be opened for purposes of a background study under section 245C.08;

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

(9) other factors deemed relevant by the Cannabis Expungement Board.

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

Subd. 7. **Notice to judicial branch and offenders.** (a) The Cannabis Expungement Board shall identify any conviction or stay of adjudication that qualifies for an order of expungement or resentencing to a lesser offense and notify the judicial branch of:

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

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

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

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

(5) if the person is eligible for an expungement, whether the limitations under section 609A.03, subdivision 7a, clause (4) or (5), apply; and

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

(b) The Cannabis Expungement Board shall make a reasonable and good faith effort to notify any person whose conviction or stay of adjudication qualifies for an order of expungement that the offense qualifies and notice is being sent to the judicial branch. Notice sent pursuant to this paragraph shall inform the person that, following the order of expungement, any records of an arrest, conviction, or incarceration should not appear on any background check or study.

Subd. 8. **Data classification.** All data collected, created, received, maintained, or disseminated by the Cannabis Expungement Board in which each victim of a crime and person whose conviction or stay of adjudication that the Cannabis Expungement Board reviews is or can be identified as the subject of the data is classified as private data on individuals, as defined by section 13.02, subdivision 12.

Subd. 9. **Order of expungement.** (a) Upon receiving notice that an offense qualifies for expungement, the court shall issue an order sealing all records relating to an arrest, indictment or information, trial, verdict, or dismissal and discharge for an offense described in subdivision 1. If the Cannabis Expungement Board determined that the person's conviction should be vacated and charges should be dismissed, the order shall vacate and dismiss the charges.

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

(c) If the Cannabis Expungement Board determined that an expunged record of a conviction or stay of adjudication may not be opened for purposes of a background study under section 245C.08, the court shall direct the order specifically to the commissioner of human services.

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

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

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

Subd. 10. **Resentencing.** (a) If the Cannabis Expungement Board determined that a person is eligible for resentencing to a lesser offense and the person is currently under sentence, the court shall proceed as if the appellate court directed a reduction of the conviction to an offense of lesser degree pursuant to rule 28.02, subdivision 12 of the Rules of Criminal Procedure.

(b) If the Cannabis Expungement Board determined that a person is eligible for resentencing to a lesser offense and the person completed or has been discharged from the sentence, the court may issue an order amending the conviction to an offense of lesser degree without holding a hearing.

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

Sec. 7. [609A.07] RESTORATION OF FIREARMS RIGHTS.

Any person who is prohibited from possessing a firearm or ammunition based on a prior adjudication or conviction for a cannabis-related offense who receives an expungement or other relief under section 609A.05 or 609A.06 shall have their right to possess firearms and ammunition restored if the person is otherwise eligible to possess the item.

ARTICLE 6

MISCELLANEOUS PROVISIONS

Section 1. [3.9224] MEDICAL CANNABIS; COMPACTS TO BE NEGOTIATED.

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

(b) "Indian Tribe" means a Tribe, band, nation, or other federally recognized group or community of Indians located within the geographical boundaries of the state of Minnesota.

(c) "Medical cannabinoid product" has the meaning given in section 342.01, subdivision 51.

(d) "Medical cannabis flower" has the meaning given in section 342.01, subdivision 53.

Subd. 2. **Negotiations authorized.** Following a public hearing, the governor or the governor's designated representatives are authorized to negotiate in good faith a compact with an Indian Tribe regulating medical cannabis flower and medical cannabinoid products. The attorney general is the legal counsel for the governor or the governor's representatives in regard to negotiating a compact under this section. If the governor appoints designees to negotiate under this subdivision, the designees must include at least two members of the senate and two members of the house of representatives, two of whom must be the chairs of the senate and house of representatives standing committees with jurisdiction over health policy.

Subd. 3. **Terms of compact; rights of parties.** (a) A compact agreed to under this section may address any issues related to medical cannabis flower and medical cannabinoid products that affect the interests of both the state and Indian Tribe or otherwise have an impact on Tribal-state relations. At a minimum, a compact agreed to on behalf of the state under this section must address:

(1) the enforcement of criminal and civil laws;

(2) the regulation of the commercial production, processing, sale or distribution, and possession of medical cannabis flower and medical cannabinoid products;

(3) medical and pharmaceutical research involving medical cannabis flower and medical cannabinoid products;

(4) the taxation of medical cannabis flower and medical cannabinoid products, including establishing an appropriate amount and method of revenue sharing;

(5) the immunities of an Indian Tribe or preemption of state law regarding the production, processing, or sale or distribution of medical cannabis flower and medical cannabinoid products; and

(6) the method of resolution for disputes involving the compact, including the use of mediation or other alternative dispute resolution processes and procedures.

(b) In addressing the issues identified under paragraph (a), the governor or the governor's designated representatives shall only enter into agreements that:

(1) provide for the preservation of public health and safety;

(2) ensure the security of production, processing, retail, and research facilities on Tribal land; and

(3) establish provisions regulating business involving medical cannabis flower and medical cannabinoid products that pass between Tribal land and non-Tribal land in the state.

Subd. 4. **Assessments and charges.** Notwithstanding any law to the contrary, any compact agreed to under this section shall establish all taxes, fees, assessments, and other charges related to the production, processing, sale or distribution, and possession of medical cannabis flower and medical cannabinoid products.

Subd. 5. **Civil and criminal immunities.** The following acts, when performed by a validly licensed medical cannabis retailer or an employee of a medical cannabis retailer operated by an Indian Tribe pursuant to a compact entered into under this section, do not constitute a criminal or civil offense under state law:

(1) the cultivation of cannabis flower, as defined in section 342.01, subdivision 15;

(2) the possession, purchase, and receipt of medical cannabis flower and medical cannabinoid products that are properly packaged and labeled as authorized under a compact entered into pursuant to this section; and

(3) the delivery, distribution, and sale of medical cannabis flower and medical cannabinoid products as authorized under a compact entered into pursuant to this section and that takes place on the premises of a medical cannabis retailer on Tribal land to any person 21 years of age or older.

Subd. 6. **Publication; report.** (a) The governor shall post any compact entered into under this section on a publicly accessible website.

(b) The governor, the attorney general, and the governor's designated representatives shall report to the legislative committees having jurisdiction over health, taxation, and commerce annually. This report shall contain information on compacts negotiated and an outline of prospective negotiations.

Sec. 2. [3.9228] ADULT-USE CANNABIS; COMPACTS TO BE NEGOTIATED.

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

(b) "Indian Tribe" means a Tribe, band, nation, or other federally recognized group or community of Indians located within the geographical boundaries of the state of Minnesota.

(c) "Adult-use cannabis product" has the meaning given in section 342.01, subdivision 4.

(d) "Adult-use cannabis flower" has the meaning given in section 342.01, subdivision 3.

Subd. 2. **Negotiations authorized.** Following a public hearing, the governor or the governor's designated representatives are authorized to negotiate in good faith a compact with an Indian Tribe regulating adult-use cannabis flower and adult-use cannabis products. The attorney general is the legal counsel for the governor or the governor's representatives in regard to negotiating a compact under this section. If the governor appoints designees to negotiate under this subdivision, the designees must include at least two members of the senate and two members of the house of representatives, two of whom must be the chairs of the senate and house of representatives standing committees with jurisdiction over health policy.

Subd. 3. **Terms of compact; rights of parties.** (a) A compact agreed to under this section may address any issues related to adult-use cannabis flower and adult-use cannabis products that affect the interests of both the state and Indian Tribe or otherwise have an impact on Tribal-state relations. At a minimum, a compact agreed to on behalf of the state under this section must address:

(1) the enforcement of criminal and civil laws;

(2) the regulation of the commercial production, processing, sale or distribution, and possession of adult-use cannabis flower and adult-use cannabis products;

(3) medical and pharmaceutical research involving adult-use cannabis flower and adult-use cannabis products;

(4) the taxation of adult-use cannabis flower and adult-use cannabis products, including establishing an appropriate amount and method of revenue sharing;

(5) the immunities of an Indian Tribe or preemption of state law regarding the production, processing, or sale or distribution of adult-use cannabis flower and adult-use cannabis products; and

(6) the method of resolution for disputes involving the compact, including the use of mediation or other alternative dispute resolution processes and procedures.

(b) In addressing the issues identified under paragraph (a), the governor or the governor's designee shall only enter into agreements that:

(1) provide for the preservation of public health and safety;

(2) ensure the security of production, processing, retail, and research facilities on Tribal land; and

(3) establish provisions regulating business involving adult-use cannabis flower and adult-use cannabis products that pass between Tribal land and non-Tribal land in the state.

Subd. 4. **Assessments and charges.** Notwithstanding any law to the contrary, any compact agreed to under this section shall establish all taxes, fees, assessments, and other charges related to the production, processing, sale or distribution, and possession of adult-use cannabis flower and adult-use cannabis products.

Subd. 5. **Civil and criminal immunities.** The following acts, when performed by a validly licensed cannabis retailer or an employee of a cannabis retailer operated by an Indian Tribe pursuant to a compact entered into under this section, do not constitute a criminal or civil offense under state law:

(1) the cultivation of cannabis flower, as defined in section 342.01, subdivision 15;

(2) the possession, purchase, and receipt of adult-use cannabis flower and adult-use cannabis products that are properly packaged and labeled as authorized under a compact entered into pursuant to this section; and

(3) the delivery, distribution, and sale of adult-use cannabis flower and adult-use cannabis products as authorized under a compact entered into pursuant to this section and that takes place on the premises of a medical cannabis retailer on Tribal land to any person 21 years of age or older.

Subd. 6. **Publication; report.** (a) The governor shall post any compact entered into under this section on a publicly accessible website.

(b) The governor, the attorney general, and the governor's designee shall report to the legislative committees having jurisdiction over health, taxation, and commerce annually. This report shall contain information on compacts negotiated and an outline of prospective negotiations.

Sec. 3. Minnesota Statutes 2022, section 13.411, is amended by adding a subdivision to read:

Subd. 12. **Cannabis businesses.** Data submitted to the Office of Cannabis Management for a cannabis business license and data relating to investigations and disciplinary proceedings involving cannabis businesses licensed by the Office of Cannabis Management are classified under section 342.17, subdivision 6.

Sec. 4. Minnesota Statutes 2022, section 13.871, is amended by adding a subdivision to read:

Subd. 15. **Cannabis Expungement Board records.** Data collected, created, received, maintained, or disseminated by the Cannabis Expungement Board are classified under section 609A.06, subdivision 8.

Sec. 5. Minnesota Statutes 2022, section 16B.2975, subdivision 8, is amended to read:

Subd. 8. **Canine management.** (a) The commissioner may give and convey to a canine's handler the state's entirety of the right, title, interest, and estate in and to a canine who is retired from service, with whom the handler trained and worked while the canine was in service to the state. The handler is solely responsible for all future expenses related to the retired canine. The commissioner must allow the handler an opportunity to accept the canine before any other placement options are considered.

(b) If the canine's handler does not accept the canine, the agency with ownership of the canine must determine a home where the canine will be safe and well cared for and inform the commissioner. The commissioner may give and convey the state's entirety of the right, title, interest, and estate in and to a canine who is retired from service to the new owner. The new owner is solely responsible for all future expenses related to the retired canine.

Sec. 6. Minnesota Statutes 2022, section 18K.02, subdivision 3, is amended to read:

Subd. 3. **Industrial hemp.** "Industrial hemp" means the plant *Cannabis sativa* L. and any part of the plant, whether growing or not, including the plant's seeds, and all the plant's derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis. Industrial hemp is not a cannabis plant as defined in section 342.01, subdivision 18, or marijuana as defined in section 152.01, subdivision 9.

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

Sec. 7. Minnesota Statutes 2022, section 18K.02, subdivision 5, is amended to read:

Subd. 5. **Processing.** "Processing" means rendering by refinement hemp plants or hemp plant parts from their natural or original state after harvest. Processing includes but is not limited to decortication, devitalization, chopping, crushing, extraction, and packaging. Processing does not include typical farm operations such as sorting, grading, baling, and harvesting. Processing does not include the production of synthetically derived cannabinoids as defined in section 342.01, subdivision 67.

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

Sec. 8. Minnesota Statutes 2022, section 18K.03, subdivision 2, is amended to read:

Subd. 2. **Sale to ~~medical cannabis manufacturers businesses and hemp businesses.~~** A licensee under this chapter may sell hemp products derived from industrial hemp grown in this state to ~~medical cannabis manufacturers as authorized under sections 152.22 to 152.37~~ a cannabis business or hemp business licensed under chapter 342.

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

Sec. 9. Minnesota Statutes 2022, section 34A.01, is amended by adding a subdivision to read:

Subd. 4a. **Food.** "Food" means every ingredient used for, entering into the consumption of, or used or intended for use in the preparation of food, drink, confectionery, or condiment for humans or other animals, whether simple, mixed, or compound; and articles used as components of these ingredients, except that edible cannabis products, as defined in section 342.01, subdivision 29, and lower-potency hemp edibles, as defined in section 342.01, subdivision 49, are not food.

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

Sec. 10. Minnesota Statutes 2022, section 97B.065, subdivision 1, is amended to read:

Subdivision 1. **Acts prohibited.** (a) A person may not take wild animals with a firearm or by archery:

(1) when the person is under the influence of alcohol;

(2) when the person is under the influence of a controlled substance, as defined in section ~~152.01~~ 169A.03, subdivision 4 6;

(3) when the person is under the influence of a combination of any two or more of the elements in clauses (1) and (2);

(4) when the person's alcohol concentration is 0.08 or more;

(5) when the person's alcohol concentration as measured within two hours of the time of taking is 0.08 or more; or

(6) when the person is under the influence of an intoxicating substance as defined in section 169A.03, subdivision 11a, and the person knows or has reason to know that the substance has the capacity to cause impairment.

(b) An owner or other person having charge or control of a firearm or bow may not authorize or permit an individual the person knows or has reason to believe is under the influence of alcohol or a controlled substance, as provided under paragraph (a), to possess the firearm or bow in this state or on a boundary water of this state.

(c) A person may not possess a loaded or uncased firearm or an uncased bow afield under any of the conditions in paragraph (a).

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 11. Minnesota Statutes 2022, section 97B.066, is amended by adding a subdivision to read:

Subd. 12. Definition. As used in this section, "controlled substance" has the meaning given in section 169A.03, subdivision 6.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 12. **[120B.215] EDUCATION ON CANNABIS USE AND SUBSTANCE USE.**

Subdivision 1. Model program. The commissioner of education, in consultation with the commissioners of health and human services, local district and school health education specialists, and other qualified experts, shall identify one or more model programs that may be used to educate middle school and high school students on the health effects on children and adolescents of cannabis use and substance use consistent with local standards as required in section 120B.021, subdivision 1, paragraph (a), clause (6), for elementary and secondary school students. The commissioner must publish a list of model programs that include written materials, curriculum resources, and training for instructors by June 1, 2025. A model program identified by the commissioner must be medically

accurate, age and developmentally appropriate, culturally inclusive, and grounded in science, and must address:

(1) the physical and mental health effects of cannabis use and substance use by children, adolescents, and persons under 25 years of age, including effects on the developing brains of children, adolescents, and persons under 25 years of age;

(2) unsafe or unhealthy behaviors associated with cannabis use and substance use;

(3) signs of substance use disorders;

(4) treatment options; and

(5) healthy coping strategies for children and adolescents.

Subd. 2. **School programs.** (a) Starting in the 2026-2027 school year, a school district or charter school must implement a comprehensive education program on cannabis use and substance use for students in middle school and high school. The program must include instruction on the topics listed in subdivision 1 and must:

(1) respect community values and encourage students to communicate with parents, guardians, and other trusted adults about cannabis use and substance use; and

(2) refer students to local resources where students may obtain medically accurate information about cannabis use and substance use, and treatment for a substance use disorder.

(b) District efforts to develop, implement, or improve instruction or curriculum as a result of the provisions of this section must be consistent with sections 120B.10 and 120B.11.

Subd. 3. **Parental review.** Notwithstanding any law to the contrary, each school district shall have a procedure for a parent, a guardian, or an adult student 18 years of age or older to review the content of the instructional materials to be provided to a minor child or to an adult student pursuant to this section. The district or charter school must allow a parent or adult student to opt out of instruction under this section with no academic or other penalty for the student and must inform parents and adult students of this right to opt out.

Subd. 4. **Youth council.** A school district or charter school may establish one or more youth councils in which student members of the council receive education and training on cannabis use and substance use and provide peer-to-peer education on these topics.

Sec. 13. **[144.196] CANNABIS DATA COLLECTION AND BIENNIAL REPORTS.**

Subdivision 1. **General.** The commissioner of health shall engage in research and data collection activities to measure the prevalence of cannabis flower and cannabis product use in the state by persons under 21 years of age and by persons 21 years of age or older, and the trends in hospital-treated cannabis poisoning and adverse events. In order to collect data, the commissioner may modify existing data collection tools used by the department or other state agencies or may establish one or more new data collection tools.

Subd. 2. **Statewide assessment; baseline data; updates.** (a) The commissioner shall conduct a statewide assessment to establish a baseline for the prevalence of cannabis flower and cannabis product use in the state, and the trends in hospital-treated cannabis poisoning and adverse events broken out by:

- (1) the current age of the customer;
- (2) the age at which the customer began consuming cannabis flower or cannabis products;
- (3) whether the customer consumes cannabis flower or cannabis products, and by type of cannabis product that the customer consumes, if applicable;
- (4) the amount of cannabis flower or cannabis product typically consumed at one time;
- (5) the typical frequency of consumption; and
- (6) other criteria specified by the commissioner.

(b) The initial assessment must be completed by July 1, 2024. The commissioner shall collect updated data under this subdivision at least every two years thereafter.

Subd. 3. **Reports.** Beginning January 1, 2025, and every two years thereafter, the commissioner shall issue a public report on the prevalence of cannabis flower use and the use of cannabis products in the state by persons under age 21 and by persons age 21 or older, and the trends in hospital-treated cannabis poisoning and adverse events. The report may include recommendations from the commissioner for changes to this chapter that would discourage or prevent personal use of cannabis flower or cannabis products by persons under age 21, that would discourage personal use of cannabis flower or cannabis products by pregnant or breastfeeding individuals, that would prevent access to cannabis flower or cannabis products by young children, or that would otherwise promote public health.

Sec. 14. **[144.197] CANNABIS EDUCATION PROGRAMS.**

Subdivision 1. **Youth education.** The commissioner of health, in collaboration with local health departments, shall conduct a long-term, coordinated education program to raise public awareness about and address the top three adverse health effects, as determined by the commissioner, associated with the use of cannabis flower or cannabis products by persons under age 25. In conducting this education program, the commissioner shall engage and consult with youth around the state on program content and on methods to effectively disseminate program information to youth around the state.

Subd. 2. **Education for pregnant and breastfeeding individuals; individuals who may become pregnant.** The commissioner of health, in consultation with the commissioners of human services and education, shall conduct a long-term, coordinated program to educate pregnant individuals, breastfeeding individuals, and individuals who may become pregnant on the adverse health effects of prenatal exposure to cannabis flower or cannabis products and on the adverse health effects experienced by infants and children who are exposed to cannabis flower or cannabis products in breast milk, from secondhand smoke, or by ingesting cannabis products. This education program

must also educate individuals on what constitutes a substance use disorder, signs of a substance use disorder, and treatment options for persons with a substance use disorder.

Subd. 3. **Home visiting programs.** The commissioner of health shall provide training, technical assistance, and education materials to local public health home visiting programs, Tribal home visiting programs, and child welfare workers regarding the safe and unsafe use of cannabis flower or cannabis products in homes with infants and young children. Training, technical assistance, and education materials shall address substance use, the signs of a substance use disorder, treatment options for persons with a substance use disorder, the dangers of driving under the influence of cannabis flower or cannabis products, how to safely consume cannabis flower or cannabis products in homes with infants and young children, and how to prevent infants and young children from being exposed to cannabis flower or cannabis products by ingesting cannabis products or through secondhand smoke.

Subd. 4. **Local and Tribal health departments.** The commissioner of health shall distribute grants to local health departments and Tribal health departments for these departments to create and disseminate educational materials on cannabis flower and cannabis products and to provide safe use and prevention training, education, technical assistance, and community engagement regarding cannabis flower and cannabis products.

Sec. 15. Minnesota Statutes 2022, section 152.01, subdivision 9, is amended to read:

Subd. 9. **Marijuana.** "Marijuana" means all parts of the plant of any species of the genus Cannabis, including all agronomical varieties, whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds or resin, but shall not include the mature stalks of such plant, fiber from such stalks, oil or cake made from the seeds of such plant, any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks, except the resin extracted therefrom, fiber, oil, or cake, or the sterilized seed of such plant which is incapable of germination. Marijuana does not include hemp as defined in section ~~152.22, subdivision 5a~~ 18K.02, subdivision 3.

Sec. 16. Minnesota Statutes 2022, section 169A.03, subdivision 6, is amended to read:

Subd. 6. **Controlled substance.** "Controlled substance" has the meaning given in section 152.01, subdivision 4. The term also includes hemp as defined in section 152.22, subdivision 5a.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date. This section expires January 1, 2024.

Sec. 17. Minnesota Statutes 2022, section 175.45, subdivision 1, is amended to read:

Subdivision 1. **Duties; goal.** The commissioner of labor and industry shall convene industry representatives, identify occupational competency standards, and provide technical assistance to develop dual-training programs. The competency standards shall be identified for employment in occupations in advanced manufacturing, health care services, information technology, ~~and~~ agriculture, and the legal cannabis industry. Competency standards are not rules and are exempt from the rulemaking provisions of chapter 14, and the provisions in section 14.386 concerning exempt rules do not apply.

Sec. 18. Minnesota Statutes 2022, section 181.938, subdivision 2, is amended to read:

Subd. 2. **Prohibited practice.** (a) An employer may not refuse to hire a job applicant or discipline or discharge an employee because the applicant or employee engages in or has engaged in the use or enjoyment of lawful consumable products, if the use or enjoyment takes place off the premises of the employer during nonworking hours. For purposes of this section, "lawful consumable products" means products whose use or enjoyment is lawful and which are consumed during use or enjoyment, and includes food, alcoholic or nonalcoholic beverages, ~~and~~ tobacco, cannabis flower, as defined in section 342.01, subdivision 15, and cannabis products, as defined in section 342.01, subdivision 19.

(b) Cannabis flower and cannabis products are lawful consumable products for the purpose of Minnesota law, regardless of whether federal or other state law considers cannabis use, possession, impairment, sale, or transfer to be unlawful. Nothing in this section shall be construed to limit an employer's ability to discipline or discharge an employee for cannabis flower or cannabis product use, possession, impairment, sale, or transfer during working hours, on work premises, or while operating an employer's vehicle, machinery, or equipment, or if a failure to do so would violate federal or state law or regulations or cause an employer to lose a monetary or licensing-related benefit under federal law or regulations.

Sec. 19. Minnesota Statutes 2022, section 181.950, subdivision 2, is amended to read:

Subd. 2. **Confirmatory test; confirmatory retest.** "Confirmatory test" and "confirmatory retest" mean a drug or alcohol test or cannabis test that uses a method of analysis allowed under one of the programs listed in section 181.953, subdivision 1.

Sec. 20. Minnesota Statutes 2022, section 181.950, subdivision 4, is amended to read:

Subd. 4. **Drug.** "Drug" means a controlled substance as defined in section 152.01, subdivision 4, but does not include marijuana, tetrahydrocannabinols, cannabis flower as defined in section 342.01, subdivision 15, or cannabis products as defined in section 342.01, subdivision 19.

Sec. 21. Minnesota Statutes 2022, section 181.950, subdivision 5, is amended to read:

Subd. 5. **Drug and alcohol testing.** "Drug and alcohol testing," "drug or alcohol testing," and "drug or alcohol test" mean analysis of a body component sample according to the standards established under one of the programs listed in section 181.953, subdivision 1, for the purpose of measuring the presence or absence of drugs, alcohol, or their metabolites in the sample tested. "Drug and alcohol testing," "drug or alcohol testing," and "drug or alcohol test" do not include cannabis or cannabis testing, unless stated otherwise.

Sec. 22. Minnesota Statutes 2022, section 181.950, is amended by adding a subdivision to read:

Subd. 5a. **Cannabis testing.** "Cannabis testing" means the analysis of a body component sample according to the standards established under one of the programs listed in section 181.953, subdivision 1, for the purpose of measuring the presence or absence of cannabis flower, as defined in section 342.01, subdivision 15, cannabis products, as defined in section 342.01, subdivision 19, or cannabis metabolites in the sample tested. The definitions in this section apply to cannabis testing unless stated otherwise.

Sec. 23. Minnesota Statutes 2022, section 181.950, subdivision 8, is amended to read:

Subd. 8. **Initial screening test.** "Initial screening test" means a drug or alcohol test or cannabis test which uses a method of analysis under one of the programs listed in section 181.953, subdivision 1.

Sec. 24. Minnesota Statutes 2022, section 181.950, subdivision 13, is amended to read:

Subd. 13. **Safety-sensitive position.** "Safety-sensitive position" means a job, including any supervisory or management position, in which an impairment caused by drug ~~or~~ alcohol, or cannabis usage would threaten the health or safety of any person.

Sec. 25. Minnesota Statutes 2022, section 181.951, subdivision 4, is amended to read:

Subd. 4. **Random testing.** An employer may request or require employees to undergo cannabis testing or drug and alcohol testing on a random selection basis only if (1) they are employed in safety-sensitive positions, or (2) they are employed as professional athletes if the professional athlete is subject to a collective bargaining agreement permitting random testing but only to the extent consistent with the collective bargaining agreement.

Sec. 26. Minnesota Statutes 2022, section 181.951, is amended by adding a subdivision to read:

Subd. 8. **Limitations on cannabis testing.** (a) An employer must not request or require a job applicant to undergo cannabis testing solely for the purpose of determining the presence or absence of cannabis as a condition of employment unless otherwise required by state or federal law.

(b) Unless otherwise required by state or federal law, an employer must not refuse to hire a job applicant solely because the job applicant submits to a cannabis test authorized by this section and the results of the test indicate the presence of cannabis.

(c) An employer must not request or require an employee or job applicant to undergo cannabis testing on an arbitrary or capricious basis.

(d) An employer may request or require an employee to undergo cannabis testing conducted by a testing laboratory that participates in one of the programs listed in section 181.953, subdivision 1, if the employer has a reasonable suspicion that while the employee is working or while the employee is on the employer's premises or operating the employer's vehicle, machinery, or equipment, the employee:

(1) as the result of consuming cannabis flower or a cannabis product, does not possess that clearness of intellect and control of self that the employee otherwise would have;

(2) has violated the employer's written work rules prohibiting cannabis use, possession, impairment, sale, or transfer, provided that the work rules for cannabis and cannabis testing are in writing and in a written policy that contains the minimum information required in section 181.952;
or

(3) has sustained a personal injury or has caused a work-related accident as provided in subdivision 5, clauses (3) and (4).

(e) Cannabis testing authorized under paragraph (d) must comply with the safeguards for testing employees provided in sections 181.953 and 181.954.

Sec. 27. Minnesota Statutes 2022, section 181.951, is amended by adding a subdivision to read:

Subd. 9. **Cannabis testing exceptions.** For the following positions, cannabis and its metabolites are considered a drug and subject to the drug and alcohol testing provisions in sections 181.950 to 181.957:

(1) a safety-sensitive position, as defined in section 181.950, subdivision 13;

(2) a peace officer position, as defined in section 626.84, subdivision 1;

(3) a firefighter position, as defined in section 299N.01, subdivision 3;

(4) a position requiring face-to-face care, training, education, supervision, counseling, consultation, or medical assistance to:

(i) children;

(ii) vulnerable adults, as defined in section 626.5572, subdivision 21; or

(iii) patients who receive health care services from a provider for the treatment, examination, or emergency care of a medical, psychiatric, or mental condition;

(5) a position requiring a commercial driver's license or requiring an employee to operate a motor vehicle for which state or federal law requires drug or alcohol testing of a job applicant or an employee;

(6) a position of employment funded by a federal grant; or

(7) any other position for which state or federal law requires testing of a job applicant or an employee for cannabis.

Sec. 28. Minnesota Statutes 2022, section 181.952, is amended by adding a subdivision to read:

Subd. 3. **Cannabis policy.** (a) Unless otherwise provided by state or federal law, an employer is not required to permit or accommodate cannabis flower or cannabis product use, possession, impairment, sale, or transfer while an employee is working or while an employee is on the employer's premises or operating the employer's vehicle, machinery, or equipment.

(b) An employer may only enact and enforce written work rules prohibiting cannabis flower and cannabis product use, possession, impairment, sale, or transfer while an employee is working or while an employee is on the employer's premises or operating the employer's vehicle, machinery, or equipment in a written policy that contains the minimum information required by this section.

Sec. 29. Minnesota Statutes 2022, section 181.953, is amended to read:

181.953 RELIABILITY AND FAIRNESS SAFEGUARDS.

Subdivision 1. **Use of licensed, accredited, or certified laboratory required.** (a) An employer who requests or requires an employee or job applicant to undergo drug or alcohol testing or cannabis testing shall use the services of a testing laboratory that meets one of the following criteria for drug testing:

(1) is certified by the National Institute on Drug Abuse as meeting the mandatory guidelines published at 53 Federal Register 11970 to 11989, April 11, 1988;

(2) is accredited by the College of American Pathologists, 325 Waukegan Road, Northfield, Illinois, 60093-2750, under the forensic urine drug testing laboratory program; or

(3) is licensed to test for drugs by the state of New York, Department of Health, under Public Health Law, article 5, title V, and rules adopted under that law.

(b) For alcohol testing, the laboratory must either be:

(1) licensed to test for drugs and alcohol by the state of New York, Department of Health, under Public Health Law, article 5, title V, and the rules adopted under that law; or

(2) accredited by the College of American Pathologists, 325 Waukegan Road, Northfield, Illinois, 60093-2750, in the laboratory accreditation program.

Subd. 3. **Laboratory testing, reporting, and sample retention requirements.** A testing laboratory that is not certified by the National Institute on Drug Abuse according to subdivision 1 shall follow the chain-of-custody procedures prescribed for employers in subdivision 5. A testing laboratory shall conduct a confirmatory test on all samples that produced a positive test result on an initial screening test. A laboratory shall disclose to the employer a written test result report for each sample tested within three working days after a negative test result on an initial screening test or, when the initial screening test produced a positive test result, within three working days after a confirmatory test. A test report must indicate the drugs, alcohol, ~~or~~ drug or alcohol metabolites, or cannabis or cannabis metabolites tested for and whether the test produced negative or positive test results. A laboratory shall retain and properly store for at least six months all samples that produced a positive test result.

Subd. 4. **Prohibitions on employers.** An employer may not conduct drug or alcohol testing or cannabis testing of its own employees and job applicants using a testing laboratory owned and operated by the employer; except that, one agency of the state may test the employees of another agency of the state. Except as provided in subdivision 9, an employer may not request or require an employee or job applicant to contribute to, or pay the cost of, drug or alcohol testing or cannabis testing under sections 181.950 to 181.954.

Subd. 5. **Employer chain-of-custody procedures.** An employer shall establish its own reliable chain-of-custody procedures to ensure proper record keeping, handling, labeling, and identification of the samples to be tested. The procedures must require the following:

(1) possession of a sample must be traceable to the employee from whom the sample is collected, from the time the sample is collected through the time the sample is delivered to the laboratory;

(2) the sample must always be in the possession of, must always be in view of, or must be placed in a secured area by a person authorized to handle the sample;

(3) a sample must be accompanied by a written chain-of-custody record; and

(4) individuals relinquishing or accepting possession of the sample must record the time the possession of the sample was transferred and must sign and date the chain-of-custody record at the time of transfer.

Subd. 6. Rights of employees and job applicants. (a) Before requesting an employee or job applicant to undergo drug or alcohol testing or requesting cannabis testing, an employer shall provide the employee or job applicant with a form, developed by the employer, on which to acknowledge that the employee or job applicant has seen the employer's drug and alcohol testing or cannabis testing policy.

(b) If an employee or job applicant tests positive for drug use, the employee must be given written notice of the right to explain the positive test and the employer may request that the employee or job applicant indicate any over-the-counter or prescription medication that the individual is currently taking or has recently taken and any other information relevant to the reliability of, or explanation for, a positive test result.

(c) Within three working days after notice of a positive test result on a confirmatory test, the employee or job applicant may submit information to the employer, in addition to any information already submitted under paragraph (b), to explain that result, or may request a confirmatory retest of the original sample at the employee's or job applicant's own expense as provided under subdivision 9.

Subd. 7. Notice of test results. Within three working days after receipt of a test result report from the testing laboratory, an employer shall inform in writing an employee or job applicant who has undergone drug or alcohol testing or cannabis testing of (1) a negative test result on an initial screening test or of a negative or positive test result on a confirmatory test and (2) the right provided in subdivision 8. In the case of a positive test result on a confirmatory test, the employer shall also, at the time of this notice, inform the employee or job applicant in writing of the rights provided in subdivisions 6, paragraph (b), 9, and either subdivision 10 or 11, whichever applies.

Subd. 8. Right to test result report. An employee or job applicant has the right to request and receive from the employer a copy of the test result report on any drug or alcohol test or cannabis test.

Subd. 9. Confirmatory retests. An employee or job applicant may request a confirmatory retest of the original sample at the employee's or job applicant's own expense after notice of a positive test result on a confirmatory test. Within five working days after notice of the confirmatory test result, the employee or job applicant shall notify the employer in writing of the employee's or job applicant's intention to obtain a confirmatory retest. Within three working days after receipt of the notice, the employer shall notify the original testing laboratory that the employee or job applicant has requested the laboratory to conduct the confirmatory retest or transfer the sample to another laboratory licensed under subdivision 1 to conduct the confirmatory retest. The original testing laboratory shall ensure that the chain-of-custody procedures in subdivision 3 are followed during transfer of the sample to the other laboratory. The confirmatory retest must use the same drug ~~or~~,

alcohol, or cannabis threshold detection levels as used in the original confirmatory test. If the confirmatory retest does not confirm the original positive test result, no adverse personnel action based on the original confirmatory test may be taken against the employee or job applicant.

Subd. 10. **Limitations on employee discharge, discipline, or discrimination.** (a) An employer may not discharge, discipline, discriminate against, or request or require rehabilitation of an employee on the basis of a positive test result from an initial screening test that has not been verified by a confirmatory test.

(b) In addition to the limitation under paragraph (a), an employer may not discharge an employee for whom a positive test result on a confirmatory test was the first such result for the employee on a drug or alcohol test or cannabis test requested by the employer unless the following conditions have been met:

(1) the employer has first given the employee an opportunity to participate in, at the employee's own expense or pursuant to coverage under an employee benefit plan, either a drug ~~or~~, alcohol, or cannabis counseling or rehabilitation program, whichever is more appropriate, as determined by the employer after consultation with a certified chemical use counselor or a physician trained in the diagnosis and treatment of substance use disorder; and

(2) the employee has either refused to participate in the counseling or rehabilitation program or has failed to successfully complete the program, as evidenced by withdrawal from the program before its completion or by a positive test result on a confirmatory test after completion of the program.

(c) Notwithstanding paragraph (a), an employer may temporarily suspend the tested employee or transfer that employee to another position at the same rate of pay pending the outcome of the confirmatory test and, if requested, the confirmatory retest, provided the employer believes that it is reasonably necessary to protect the health or safety of the employee, coemployees, or the public. An employee who has been suspended without pay must be reinstated with back pay if the outcome of the confirmatory test or requested confirmatory retest is negative.

(d) An employer may not discharge, discipline, discriminate against, or request or require rehabilitation of an employee on the basis of medical history information revealed to the employer pursuant to subdivision 6 unless the employee was under an affirmative duty to provide the information before, upon, or after hire.

(e) An employee must be given access to information in the employee's personnel file relating to positive test result reports and other information acquired in the drug and alcohol testing process or cannabis testing process and conclusions drawn from and actions taken based on the reports or other acquired information.

Subd. 10a. **Additional limitations for cannabis.** An employer may discipline, discharge, or take other adverse personnel action against an employee for cannabis flower or cannabis product use, possession, impairment, sale, or transfer while an employee is working, on the employer's premises, or operating the employer's vehicle, machinery, or equipment as follows:

(1) if, as the result of consuming cannabis flower or a cannabis product, the employee does not possess that clearness of intellect and control of self that the employee otherwise would have;

(2) if cannabis testing that the employer requested or required pursuant to section 181.951, subdivision 8, paragraphs (d) and (e), verifies the presence of cannabis following a confirmatory test;

(3) as provided in the employer's written work rules for cannabis and cannabis testing, provided that the rules are in writing and in a written policy that contains the minimum information required by section 181.952; or

(4) as otherwise authorized under state or federal law.

Subd. 11. **Limitation on withdrawal of job offer.** If a job applicant has received a job offer made contingent on the applicant passing drug and alcohol testing, the employer may not withdraw the offer based on a positive test result from an initial screening test that has not been verified by a confirmatory test.

Sec. 30. Minnesota Statutes 2022, section 181.954, is amended to read:

181.954 PRIVACY, CONFIDENTIALITY, AND PRIVILEGE SAFEGUARDS.

Subdivision 1. **Privacy limitations.** A laboratory may only disclose to the employer test result data regarding the presence or absence of drugs, alcohol, or their metabolites in a sample tested.

Subd. 2. **Confidentiality limitations.** Test result reports and other information acquired in the drug or alcohol testing or cannabis testing process are, with respect to private sector employees and job applicants, private and confidential information, and, with respect to public sector employees and job applicants, private data on individuals as that phrase is defined in chapter 13, and may not be disclosed by an employer or laboratory to another employer or to a third-party individual, governmental agency, or private organization without the written consent of the employee or job applicant tested.

Subd. 3. **Exceptions to privacy and confidentiality disclosure limitations.** Notwithstanding subdivisions 1 and 2, evidence of a positive test result on a confirmatory test may be: (1) used in an arbitration proceeding pursuant to a collective bargaining agreement, an administrative hearing under chapter 43A or other applicable state or local law, or a judicial proceeding, provided that information is relevant to the hearing or proceeding; (2) disclosed to any federal agency or other unit of the United States government as required under federal law, regulation, or order, or in accordance with compliance requirements of a federal government contract; and (3) disclosed to a substance abuse treatment facility for the purpose of evaluation or treatment of the employee.

Subd. 4. **Privilege.** Positive test results from an employer drug or alcohol testing or cannabis testing program may not be used as evidence in a criminal action against the employee or job applicant tested.

Sec. 31. Minnesota Statutes 2022, section 181.955, is amended to read:

181.955 CONSTRUCTION.

Subdivision 1. **Freedom to collectively bargain.** Sections 181.950 to 181.954 shall not be construed to limit the parties to a collective bargaining agreement from bargaining and agreeing

with respect to a drug and alcohol testing or a cannabis testing policy that meets or exceeds, and does not otherwise conflict with, the minimum standards and requirements for employee protection provided in those sections.

Subd. 2. **Employee protections under existing collective bargaining agreements.** Sections 181.950 to 181.954 shall not be construed to interfere with or diminish any employee protections relating to drug and alcohol testing or cannabis testing already provided under collective bargaining agreements in effect on the effective date of those sections that exceed the minimum standards and requirements for employee protection provided in those sections.

Subd. 3. **Professional athletes.** Sections 181.950 to 181.954 shall not be construed to interfere with the operation of a drug and alcohol testing or cannabis testing program if:

(1) the drug and alcohol testing program is permitted under a contract between the employer and employees; and

(2) the covered employees are employed as professional athletes.

Upon request of the commissioner of labor and industry, the exclusive representative of the employees and the employer shall certify to the commissioner of labor and industry that the drug and alcohol testing or cannabis testing program permitted under the contract should operate without interference from the sections specified in this subdivision. This subdivision must not be construed to create an exemption from controlled substance crimes in chapter 152.

Sec. 32. Minnesota Statutes 2022, section 181.957, subdivision 1, is amended to read:

Subdivision 1. **Excluded employees and job applicants.** Except as provided under subdivision 2, the employee and job applicant protections provided under sections 181.950 to 181.956 do not apply to employees and job applicants where the specific work performed requires those employees and job applicants to be subject to drug and alcohol testing or cannabis testing pursuant to:

(1) federal regulations that specifically preempt state regulation of drug and alcohol testing or cannabis testing with respect to those employees and job applicants;

(2) federal regulations or requirements necessary to operate federally regulated facilities;

(3) federal contracts where the drug and alcohol testing or cannabis testing is conducted for security, safety, or protection of sensitive or proprietary data; or

(4) state agency rules that adopt federal regulations applicable to the interstate component of a federally regulated industry, and the adoption of those rules is for the purpose of conforming the nonfederally regulated intrastate component of the industry to identical regulation.

Sec. 33. Minnesota Statutes 2022, section 192A.555, is amended to read:

192A.555 DRIVING WHILE UNDER THE INFLUENCE OR RECKLESS DRIVING.

Any person subject to this code who drives, operates or is in physical control of any motor vehicle or aircraft while under the influence of an alcoholic beverage or controlled substance as defined in section 169A.03, subdivision 6, or a combination thereof or whose blood contains 0.08

percent or more by weight of alcohol or who operates said motor vehicle or aircraft in a reckless or wanton manner, shall be punished as a court-martial may direct.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 34. Minnesota Statutes 2022, section 245C.08, subdivision 1, is amended to read:

Subdivision 1. **Background studies conducted by Department of Human Services.** (a) For a background study conducted by the Department of Human Services, the commissioner shall review:

(1) information related to names of substantiated perpetrators of maltreatment of vulnerable adults that has been received by the commissioner as required under section 626.557, subdivision 9c, paragraph (j);

(2) the commissioner's records relating to the maltreatment of minors in licensed programs, and from findings of maltreatment of minors as indicated through the social service information system;

(3) information from juvenile courts as required in subdivision 4 for individuals listed in section 245C.03, subdivision 1, paragraph (a), when there is reasonable cause;

(4) information from the Bureau of Criminal Apprehension, including information regarding a background study subject's registration in Minnesota as a predatory offender under section 243.166;

(5) except as provided in clause (6), information received as a result of submission of fingerprints for a national criminal history record check, as defined in section 245C.02, subdivision 13c, when the commissioner has reasonable cause for a national criminal history record check as defined under section 245C.02, subdivision 15a, or as required under section 144.057, subdivision 1, clause (2);

(6) for a background study related to a child foster family setting application for licensure, foster residence settings, children's residential facilities, a transfer of permanent legal and physical custody of a child under sections 260C.503 to 260C.515, or adoptions, and for a background study required for family child care, certified license-exempt child care, child care centers, and legal nonlicensed child care authorized under chapter 119B, the commissioner shall also review:

(i) information from the child abuse and neglect registry for any state in which the background study subject has resided for the past five years;

(ii) when the background study subject is 18 years of age or older, or a minor under section 245C.05, subdivision 5a, paragraph (c), information received following submission of fingerprints for a national criminal history record check; and

(iii) when the background study subject is 18 years of age or older or a minor under section 245C.05, subdivision 5a, paragraph (d), for licensed family child care, certified license-exempt child care, licensed child care centers, and legal nonlicensed child care authorized under chapter 119B, information obtained using non-fingerprint-based data including information from the criminal and sex offender registries for any state in which the background study subject resided for the past five years and information from the national crime information database and the national sex offender registry; and

(7) for a background study required for family child care, certified license-exempt child care centers, licensed child care centers, and legal nonlicensed child care authorized under chapter 119B, the background study shall also include, to the extent practicable, a name and date-of-birth search of the National Sex Offender Public website.

(b) Except as otherwise provided in this paragraph, notwithstanding expungement by a court, the commissioner may consider information obtained under paragraph (a), clauses (3) and (4), unless the commissioner received notice of the petition for expungement and the court order for expungement is directed specifically to the commissioner. The commissioner may not consider information obtained under paragraph (a), clauses (3) and (4), or from any other source that identifies a violation of chapter 152 without determining if the offense involved the possession of marijuana or tetrahydrocannabinol and, if so, whether the person received a grant of expungement or order of expungement, or the person was resentenced to a lesser offense. If the person received a grant of expungement or order of expungement, the commissioner may not consider information related to that violation but may consider any other relevant information arising out of the same incident.

(c) The commissioner shall also review criminal case information received according to section 245C.04, subdivision 4a, from the Minnesota court information system that relates to individuals who have already been studied under this chapter and who remain affiliated with the agency that initiated the background study.

(d) When the commissioner has reasonable cause to believe that the identity of a background study subject is uncertain, the commissioner may require the subject to provide a set of classifiable fingerprints for purposes of completing a fingerprint-based record check with the Bureau of Criminal Apprehension. Fingerprints collected under this paragraph shall not be saved by the commissioner after they have been used to verify the identity of the background study subject against the particular criminal record in question.

(e) The commissioner may inform the entity that initiated a background study under NETStudy 2.0 of the status of processing of the subject's fingerprints.

Sec. 35. Minnesota Statutes 2022, section 256.01, subdivision 18c, is amended to read:

Subd. 18c. **Drug convictions.** (a) The state court administrator shall provide a report every six months by electronic means to the commissioner of human services, including the name, address, date of birth, and, if available, driver's license or state identification card number, date of the sentence, effective date of the sentence, and county in which the conviction occurred, of each person convicted of a felony under chapter 152, except for convictions under section 152.0263 or 152.0264, during the previous six months.

(b) The commissioner shall determine whether the individuals who are the subject of the data reported under paragraph (a) are receiving public assistance under chapter 256D or 256J, and if ~~the~~ an individual is receiving assistance under chapter 256D or 256J, the commissioner shall instruct the county to proceed under section 256D.024 or 256J.26, whichever is applicable, for this individual.

(c) The commissioner shall not retain any data received under paragraph (a) ~~or (d)~~ that does not relate to an individual receiving publicly funded assistance under chapter 256D or 256J.

~~(d) In addition to the routine data transfer under paragraph (a), the state court administrator shall provide a onetime report of the data fields under paragraph (a) for individuals with a felony drug conviction under chapter 152 dated from July 1, 1997, until the date of the data transfer. The commissioner shall perform the tasks identified under paragraph (b) related to this data and shall retain the data according to paragraph (c).~~

Sec. 36. Minnesota Statutes 2022, section 256B.0625, subdivision 13d, is amended to read:

Subd. 13d. **Drug formulary.** (a) The commissioner shall establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the Administrative Procedure Act, but the Formulary Committee shall review and comment on the formulary contents.

(b) The formulary shall not include:

- (1) drugs, active pharmaceutical ingredients, or products for which there is no federal funding;
- (2) over-the-counter drugs, except as provided in subdivision 13;
- (3) drugs or active pharmaceutical ingredients when used for the treatment of impotence or erectile dysfunction;
- (4) drugs or active pharmaceutical ingredients for which medical value has not been established;
- (5) drugs from manufacturers who have not signed a rebate agreement with the Department of Health and Human Services pursuant to section 1927 of title XIX of the Social Security Act; and
- (6) medical cannabis flower as defined in section 152.22, subdivision 6 342.01, subdivision 53, or medical cannabinoid products as defined in section 342.01, subdivision 51.

(c) If a single-source drug used by at least two percent of the fee-for-service medical assistance recipients is removed from the formulary due to the failure of the manufacturer to sign a rebate agreement with the Department of Health and Human Services, the commissioner shall notify prescribing practitioners within 30 days of receiving notification from the Centers for Medicare and Medicaid Services (CMS) that a rebate agreement was not signed.

Sec. 37. Minnesota Statutes 2022, section 256D.024, subdivision 1, is amended to read:

Subdivision 1. **Person convicted of drug offenses.** (a) If an applicant or recipient has been convicted of a drug offense after July 1, 1997, except for convictions related to cannabis, marijuana, or tetrahydrocannabinols, the assistance unit is ineligible for benefits under this chapter until five years after the applicant has completed terms of the court-ordered sentence, unless the person is participating in a drug treatment program, has successfully completed a drug treatment program, or has been assessed by the county and determined not to be in need of a drug treatment program. Persons subject to the limitations of this subdivision who become eligible for assistance under this chapter shall be subject to random drug testing as a condition of continued eligibility and shall lose eligibility for benefits for five years beginning the month following:

- (1) any positive test result for an illegal controlled substance under chapter 152; or
- (2) discharge of sentence after conviction for another drug felony.

(b) For the purposes of this subdivision, "drug offense" means a conviction that occurred after July 1, 1997, of sections 152.021 to 152.025, 152.0261, 152.0262, or 152.096. Drug offense also means a conviction in another jurisdiction of the possession, use, or distribution of a controlled substance, or conspiracy to commit any of these offenses, if the offense occurred after July 1, 1997, and the conviction is ~~a felony offense in that jurisdiction, or in the case of New Jersey, a high misdemeanor~~ for a crime that would be a felony if committed in Minnesota.

Sec. 38. Minnesota Statutes 2022, section 256D.024, subdivision 3, is amended to read:

Subd. 3. **Fleeing felons.** An individual who is fleeing to avoid prosecution, or custody, or confinement after conviction for a crime that ~~is a felony under the laws of the jurisdiction from which the individual flees, or in the case of New Jersey, is a high misdemeanor,~~ would be a felony if committed in Minnesota, is ineligible to receive benefits under this chapter.

Sec. 39. Minnesota Statutes 2022, section 256J.26, subdivision 1, is amended to read:

Subdivision 1. **Person convicted of drug offenses.** (a) An individual who has been convicted of a felony level drug offense committed during the previous ten years from the date of application or recertification, except for convictions related to cannabis, marijuana, or tetrahydrocannabinols, is subject to the following:

(1) Benefits for the entire assistance unit must be paid in vendor form for shelter and utilities during any time the applicant is part of the assistance unit.

(2) The convicted applicant or participant shall be subject to random drug testing as a condition of continued eligibility and following any positive test for an illegal controlled substance under chapter 152 is subject to the following sanctions:

(i) for failing a drug test the first time, the residual amount of the participant's grant after making vendor payments for shelter and utility costs, if any, must be reduced by an amount equal to 30 percent of the MFIP standard of need for an assistance unit of the same size. When a sanction under this subdivision is in effect, the job counselor must attempt to meet with the person face-to-face. During the face-to-face meeting, the job counselor must explain the consequences of a subsequent drug test failure and inform the participant of the right to appeal the sanction under section 256J.40. If a face-to-face meeting is not possible, the county agency must send the participant a notice of adverse action as provided in section 256J.31, subdivisions 4 and 5, and must include the information required in the face-to-face meeting; or

(ii) for failing a drug test two times, the participant is permanently disqualified from receiving MFIP assistance, both the cash and food portions. The assistance unit's MFIP grant must be reduced by the amount which would have otherwise been made available to the disqualified participant. Disqualification under this item does not make a participant ineligible for the Supplemental Nutrition Assistance Program (SNAP). Before a disqualification under this provision is imposed, the job counselor must attempt to meet with the participant face-to-face. During the face-to-face meeting, the job counselor must identify other resources that may be available to the participant to meet the needs of the family and inform the participant of the right to appeal the disqualification under section 256J.40. If a face-to-face meeting is not possible, the county agency must send the participant a notice of adverse action as provided in section 256J.31, subdivisions 4 and 5, and must include the information required in the face-to-face meeting.

(3) A participant who fails a drug test the first time and is under a sanction due to other MFIP program requirements is considered to have more than one occurrence of noncompliance and is subject to the applicable level of sanction as specified under section 256J.46, subdivision 1, paragraph (d).

(b) Applicants requesting only SNAP benefits or participants receiving only SNAP benefits, who have been convicted of a drug offense that occurred after July 1, 1997, except for convictions related to cannabis, marijuana, or tetrahydrocannabinols, may, if otherwise eligible, receive SNAP benefits if the convicted applicant or participant is subject to random drug testing as a condition of continued eligibility. Following a positive test for an illegal controlled substance under chapter 152, the applicant is subject to the following sanctions:

(1) for failing a drug test the first time, SNAP benefits shall be reduced by an amount equal to 30 percent of the applicable SNAP benefit allotment. When a sanction under this clause is in effect, a job counselor must attempt to meet with the person face-to-face. During the face-to-face meeting, a job counselor must explain the consequences of a subsequent drug test failure and inform the participant of the right to appeal the sanction under section 256J.40. If a face-to-face meeting is not possible, a county agency must send the participant a notice of adverse action as provided in section 256J.31, subdivisions 4 and 5, and must include the information required in the face-to-face meeting; and

(2) for failing a drug test two times, the participant is permanently disqualified from receiving SNAP benefits. Before a disqualification under this provision is imposed, a job counselor must attempt to meet with the participant face-to-face. During the face-to-face meeting, the job counselor must identify other resources that may be available to the participant to meet the needs of the family and inform the participant of the right to appeal the disqualification under section 256J.40. If a face-to-face meeting is not possible, a county agency must send the participant a notice of adverse action as provided in section 256J.31, subdivisions 4 and 5, and must include the information required in the face-to-face meeting.

(c) For the purposes of this subdivision, "drug offense" means an offense that occurred during the previous ten years from the date of application or recertification of sections 152.021 to 152.025, 152.0261, 152.0262, 152.096, or 152.137. Drug offense also means a conviction in another jurisdiction of the possession, use, or distribution of a controlled substance, or conspiracy to commit any of these offenses, if the offense occurred during the previous ten years from the date of application or recertification and the conviction is a felony offense in that jurisdiction, or in the case of New Jersey, a high misdemeanor for a crime that would be a felony if committed in Minnesota.

Sec. 40. Minnesota Statutes 2022, section 256J.26, subdivision 3, is amended to read:

Subd. 3. **Fleeing felons.** An individual who is fleeing to avoid prosecution, or custody, or confinement after conviction for a crime that is a felony under the laws of the jurisdiction from which the individual flees, or in the case of New Jersey, is a high misdemeanor, would be a felony if committed in Minnesota, is disqualified from receiving MFIP.

Sec. 41. Minnesota Statutes 2022, section 340A.402, subdivision 1, is amended to read:

Subdivision 1. **Disqualifiers.** No retail license may be issued to:

(1) a person under 21 years of age;

(2) a person who has had an intoxicating liquor or 3.2 percent malt liquor license revoked within five years of the license application, or to any person who at the time of the violation owns any interest, whether as a holder of more than five percent of the capital stock of a corporation licensee, as a partner or otherwise, in the premises or in the business conducted thereon, or to a corporation, partnership, association, enterprise, business, or firm in which any such person is in any manner interested;

(3) a person not of good moral character and repute; ~~or~~

(4) a person who:

(i) has had a license or registration issued pursuant to chapter 342 or section 151.72, subdivision 5b, revoked;

(ii) has been convicted of an offense under section 151.72, subdivision 7; or

(iii) has been convicted under any other statute for the illegal sale of marijuana, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or edible cannabinoid products and the sale took place on the premises of a business that sells intoxicating liquor or 3.2 percent malt liquor to customers; or

~~(4)~~ (5) a person who has a direct or indirect interest in a manufacturer, brewer, or wholesaler.

In addition, no new retail license may be issued to, and the governing body of a municipality may refuse to renew the license of, a person who, within five years of the license application, has been convicted of a felony or a willful violation of a federal or state law or local ordinance governing the manufacture, sale, distribution, or possession for sale or distribution of an alcoholic beverage. The Alcohol and Gambling Enforcement Division or licensing authority may require that fingerprints be taken and forwarded to the Federal Bureau of Investigation for purposes of a criminal history check.

Sec. 42. [340A.4022] RETAIL LICENSE NOT PROHIBITED; LOWER-POTENCY HEMP EDIBLE RETAILER.

(a) Nothing in this chapter:

(1) prohibits the issuance of a retail license or permit to a person also holding a lower-potency hemp edible retailer license;

(2) allows any agreement between a licensing authority and retail license or permit holder that prohibits the license or permit holder from also holding a lower-potency hemp edible retailer license;
or

(3) allows the revocation or suspension of a retail license or permit, or the imposition of a penalty on a retail license or permit holder, due to the retail license or permit holder also holding a lower-potency hemp edible retailer license.

(b) For purposes of this section, "lower-potency hemp edible retailer license" means a license issued by the Office of Cannabis Management under section 342.41.

Sec. 43. Minnesota Statutes 2022, section 340A.412, subdivision 14, is amended to read:

Subd. 14. **Exclusive liquor stores.** (a) Except as otherwise provided in this subdivision, an exclusive liquor store may sell only the following items:

- (1) alcoholic beverages;
- (2) tobacco products;
- (3) ice;
- (4) beverages, either liquid or powder, specifically designated for mixing with intoxicating liquor;
- (5) soft drinks;
- (6) liqueur-filled candies;
- (7) food products that contain more than one-half of one percent alcohol by volume;
- (8) cork extraction devices;
- (9) books and videos on the use of alcoholic beverages;
- (10) magazines and other publications published primarily for information and education on alcoholic beverages;
- (11) multiple-use bags designed to carry purchased items;
- (12) devices designed to ensure safe storage and monitoring of alcohol in the home, to prevent access by underage drinkers;
- (13) home brewing equipment;
- (14) clothing marked with the specific name, brand, or identifying logo of the exclusive liquor store, and bearing no other name, brand, or identifying logo;
- (15) citrus fruit; ~~and~~
- (16) glassware; and
- (17) lower-potency hemp edibles as defined in section 342.01, subdivision 49.

(b) An exclusive liquor store that has an on-sale, or combination on-sale and off-sale license may sell food for on-premise consumption when authorized by the municipality issuing the license.

(c) An exclusive liquor store may offer live or recorded entertainment.

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

Sec. 44. Minnesota Statutes 2022, section 461.12, is amended by adding a subdivision to read:

Subd. 2a. Penalties for sales of certain products; licensees. (a) A licensee's authority to sell tobacco, tobacco-related devices, electronic delivery devices, or nicotine or lobelia delivery products at that location must be suspended for not less than seven days and may be revoked if the licensee:

(1) holds a license or registration issued pursuant to chapter 342 or section 151.72, subdivision 5b, and the license or registration is revoked;

(2) is convicted of an offense under section 151.72, subdivision 7; or

(3) has been convicted under any other statute for the illegal sale of marijuana, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or edible cannabinoid products and the sale took place on the premises of a business that sells tobacco, tobacco-related devices, electronic delivery devices, or nicotine or lobelia delivery products.

(b) No suspension, revocation, or other penalty may take effect until the licensee has received notice, served personally or by mail, of the alleged violation and an opportunity for a hearing before a person authorized by the licensing authority to conduct the hearing. A decision that a violation has occurred must be in writing.

Sec. 45. Minnesota Statutes 2022, section 609.2111, is amended to read:

609.2111 DEFINITIONS.

(a) For purposes of sections 609.2111 to 609.2114, the terms defined in this subdivision have the meanings given them.

(b) "Motor vehicle" has the meaning given in section 609.52, subdivision 1, and includes attached trailers.

(c) "Controlled substance" has the meaning given in section ~~152.01~~ 169A.03, subdivision ~~4~~ 6.

(d) "Intoxicating substance" has the meaning given in section 169A.03, subdivision 11a.

(e) "Qualified prior driving offense" includes a prior conviction:

(1) for a violation of section 169A.20 under the circumstances described in section 169A.24 or 169A.25;

(2) under section 609.2112, subdivision 1, paragraph (a), clauses (2) to (6); 609.2113, subdivision 1, clauses (2) to (6); 2, clauses (2) to (6); or 3, clauses (2) to (6); or 609.2114, subdivision 1, paragraph (a), clauses (2) to (6); or 2, clauses (2) to (6);

(3) under Minnesota Statutes 2012, section 609.21, subdivision 1, clauses (2) to (6); or

(4) under Minnesota Statutes 2006, section 609.21, subdivision 1, clauses (2) to (6); 2, clauses (2) to (6); 2a, clauses (2) to (6); 2b, clauses (2) to (6); 3, clauses (2) to (6); or 4, clauses (2) to (6).

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 46. Minnesota Statutes 2022, section 609B.425, subdivision 2, is amended to read:

Subd. 2. **Benefit eligibility.** (a) A person convicted of a drug offense after July 1, 1997, except for convictions related to cannabis, marijuana, or tetrahydrocannabinols, is ineligible for general assistance benefits and Supplemental Security Income under chapter 256D until:

(1) five years after completing the terms of a court-ordered sentence; or

(2) unless the person is participating in a drug treatment program, has successfully completed a program, or has been determined not to be in need of a drug treatment program.

(b) A person who becomes eligible for assistance under chapter 256D is subject to random drug testing and shall lose eligibility for benefits for five years beginning the month following:

(1) any positive test for an illegal controlled substance under chapter 152; or

(2) discharge of sentence for conviction of another drug felony.

(c) Parole violators and fleeing felons are ineligible for benefits and persons fraudulently misrepresenting eligibility are also ineligible to receive benefits for ten years.

Sec. 47. Minnesota Statutes 2022, section 609B.435, subdivision 2, is amended to read:

Subd. 2. **Drug offenders; random testing; sanctions.** A person who is an applicant for benefits from the Minnesota family investment program or MFIP, the vehicle for temporary assistance for needy families or TANF, and who has been convicted of a drug offense, except for convictions related to cannabis, marijuana, or tetrahydrocannabinols, shall be subject to certain conditions, including random drug testing, in order to receive MFIP benefits. Following any positive test for a controlled substance under chapter 152, the convicted applicant or participant is subject to the following sanctions:

(1) a first time drug test failure results in a reduction of benefits in an amount equal to 30 percent of the MFIP standard of need; and

(2) a second time drug test failure results in permanent disqualification from receiving MFIP assistance.

A similar disqualification sequence occurs if the applicant is receiving Supplemental Nutrition Assistance Program (SNAP) benefits.

Sec. 48. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 13. **Adult-use cannabis flower.** "Adult-use cannabis flower" has the meaning given in section 342.01, subdivision 4.

Sec. 49. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 14. **Adult-use cannabis product.** "Adult-use cannabis product" has the meaning given in section 342.01, subdivision 2.

Sec. 50. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 15. **Medical cannabis flower.** "Medical cannabis flower" has the meaning given in section 342.01, subdivision 53.

Sec. 51. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 16. **Medical cannabinoid product.** "Medical cannabinoid product" has the meaning given in section 342.01, subdivision 51.

Sec. 52. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 17. **Patient.** "Patient" has the meaning given in section 342.01, subdivision 58.

Sec. 53. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 18. **Qualifying medical condition.** "Qualifying medical condition" has the meaning given in section 342.01, subdivision 61.

Sec. 54. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 19. **Registry or registry program.** "Registry" or "registry program" has the meaning given in section 342.01, subdivision 63.

Sec. 55. 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. The use of medical cannabis flower or medical cannabinoid products by a patient enrolled in the registry program or the use of adult-use cannabis flower or adult-use cannabis products by a person 21 years of age or older does not constitute the unlawful use of a controlled substance under this item;

(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).

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.

Participation as a patient in the registry program or use of adult-use cannabis flower or adult-use cannabinoid products by a person 21 years of age or older does not disqualify the person from possessing firearms and ammunition under this section.

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. 56. Minnesota Statutes 2022, section 624.714, subdivision 6, is amended to read:

Subd. 6. **Granting and denial of permits.** (a) The sheriff must, within 30 days after the date of receipt of the application packet described in subdivision 3:

(1) issue the permit to carry;

(2) deny the application for a permit to carry solely on the grounds that the applicant failed to qualify under the criteria described in subdivision 2, paragraph (b); or

(3) deny the application on the grounds that there exists a substantial likelihood that the applicant is a danger to self or the public if authorized to carry a pistol under a permit.

(b) Failure of the sheriff to notify the applicant of the denial of the application within 30 days after the date of receipt of the application packet constitutes issuance of the permit to carry and the sheriff must promptly fulfill the requirements under paragraph (c). To deny the application, the sheriff must provide the applicant with written notification and the specific factual basis justifying the denial under paragraph (a), clause (2) or (3), including the source of the factual basis. The 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 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 12.

(c) Upon issuing a permit to carry, the sheriff must provide a laminated permit card to the applicant by first class mail unless personal delivery has been made. Within five business days, the sheriff must submit the information specified in subdivision 7, paragraph (a), to the commissioner for inclusion solely in the database required under subdivision 15, paragraph (a). The sheriff must transmit the information in a manner and format prescribed by the commissioner.

(d) Within five business days of learning that a permit to carry has been suspended or revoked, the sheriff must submit information to the commissioner regarding the suspension or revocation for inclusion solely in the databases required or permitted under subdivision 15.

(e) Notwithstanding paragraphs (a) and (b), the sheriff may suspend the application process if a charge is pending against the applicant that, if resulting in conviction, will prohibit the applicant from possessing a firearm.

(f) A sheriff shall not deny an application for a permit to carry solely because the applicant is a patient enrolled in the registry program and uses medical cannabis flower or medical cannabinoid products for a qualifying medical condition or because the person is 21 years of age or older and uses adult-use cannabis flower or adult-use cannabis products.

Sec. 57. Minnesota Statutes 2022, section 624.7142, subdivision 1, is amended to read:

Subdivision 1. **Acts prohibited.** A person may not carry a pistol on or about the person's clothes or person in a public place:

(1) when the person is under the influence of a controlled substance, as defined in section ~~152.01~~ 169A.03, subdivision 4 ~~6~~;

(2) when the person is under the influence of a combination of any two or more of the elements named in clauses (1) and (4);

(3) when the person is under the influence of an intoxicating substance as defined in section 169A.03, subdivision 11a, and the person knows or has reason to know that the substance has the capacity to cause impairment;

(4) when the person is under the influence of alcohol;

(5) when the person's alcohol concentration is 0.10 or more; ~~or~~

(6) when the person's alcohol concentration is less than 0.10, but more than 0.04-; or

(7) when the person is enrolled as a patient in the registry program, uses medical cannabis flower or medical cannabinoid products, and knows or has reason to know that the medical cannabis flower or medical cannabinoid products used by the person has the capacity to cause impairment.

Sec. 58. Minnesota Statutes 2022, section 624.7143, is amended by adding a subdivision to read:

Subd. 6. **Definition.** As used in this section, "controlled substance" has the meaning given in section 169A.03, subdivision 6.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 59. Minnesota Statutes 2022, section 624.7151, is amended to read:

624.7151 STANDARDIZED FORMS.

By December 1, 1992, the commissioner shall adopt statewide standards governing the form and contents, as required by sections 624.7131 to 624.714, of every application for a pistol transferee permit, pistol transferee permit, report of transfer of a pistol, application for a permit to carry a pistol, and permit to carry a pistol that is granted or renewed on or after January 1, 1993.

Every application for a pistol transferee permit, pistol transferee permit, report of transfer of a pistol, application for a permit to carry a pistol, and permit to carry a pistol that is received, granted,

or renewed by a police chief or county sheriff on or after January 1, 1993, must meet the statewide standards adopted by the commissioner. Notwithstanding the previous sentence, neither failure of the Department of Public Safety to adopt standards nor failure of the police chief or county sheriff to meet them shall delay the timely processing of applications nor invalidate permits issued on other forms meeting the requirements of sections 624.7131 to 624.714.

Any form used for the purpose of approving or disapproving a person from purchasing, owning, possessing, or carrying a firearm that inquires about the applicant's use of controlled substances shall specifically authorize a patient in the registry program to refrain from reporting the use of medical cannabis flower and medical cannabinoid products and shall specifically authorize a person 21 years of age or older from refraining from reporting the use of adult-use cannabis flower or adult-use cannabis products.

Sec. 60. **[624.7152] LAWFUL CANNABIS USERS.**

(a) A person may not be denied the right to purchase, own, possess, or carry a firearm solely on the basis that the person is a patient in the registry program.

(b) A person may not be denied the right to purchase, own, possess, or carry a firearm solely on the basis that the person is 21 years of age or older and uses adult-use cannabis flower or adult-use cannabis products.

(c) A state or local agency may not access a database containing the identities of patients in the registry program to obtain information for the purpose of approving or disapproving a person from purchasing, owning, possessing, or carrying a firearm.

(d) A state or local agency may not use information gathered from a database containing the identities of patients in the registry program to obtain information for the purpose of approving or disapproving a person from purchasing, owning, possessing, or carrying a firearm.

(e) A state or local agency may not inquire about a person's status as a patient in the registry program for the purpose of approving or disapproving the person from purchasing, owning, possessing, or carrying a firearm.

(f) A state or local agency may not inquire about the use of adult-use cannabis flower or adult-use cannabis products by a person 21 years of age or older for the purpose of approving or disapproving the person from purchasing, owning, possessing, or carrying a firearm.

Sec. 61. **HIGH INTENSITY DRUG TRAFFICKING AREA REPORT.**

The commissioner of public safety, working in conjunction with Hennepin County, must produce a statewide baseline high intensity drug trafficking area report on marijuana. The report must include information on past and present marijuana use in Minnesota; potency of marijuana; impacts of marijuana use on public health, emergency room admissions, traffic accidents, impaired driving citations, workforce, and schools; marijuana crimes and the juvenile justice system; marijuana's influence on the opioid epidemic; and the illicit market for marijuana. The report must be submitted to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over public safety, health, education policy, labor, and transportation by February 1, 2024.

Sec. 62. REPEALER.

(a) Minnesota Rules, parts 4770.0100; 4770.0200; 4770.0300; 4770.0400; 4770.0500; 4770.0600; 4770.0800; 4770.0900; 4770.1000; 4770.1100; 4770.1200; 4770.1300; 4770.1400; 4770.1460; 4770.1500; 4770.1600; 4770.1700; 4770.1800; 4770.1900; 4770.2000; 4770.2100; 4770.2200; 4770.2300; 4770.2400; 4770.2700; 4770.2800; 4770.4000; 4770.4002; 4770.4003; 4770.4004; 4770.4005; 4770.4007; 4770.4008; 4770.4009; 4770.4010; 4770.4012; 4770.4013; 4770.4014; 4770.4015; 4770.4016; 4770.4017; 4770.4018; and 4770.4030, are repealed.

(b) Minnesota Statutes 2022, sections 152.22, subdivisions 1, 2, 3, 4, 5, 5a, 5b, 6, 7, 8, 9, 10, 11, 12, 13, and 14; 152.23; 152.24; 152.25, subdivisions 1, 1a, 1b, 1c, 2, 3, and 4; 152.26; 152.261; 152.27, subdivisions 1, 2, 3, 4, 5, 6, and 7; 152.28, subdivisions 1, 2, and 3; 152.29, subdivisions 1, 2, 3, 3a, and 4; 152.30; 152.31; 152.32, subdivisions 1, 2, and 3; 152.33, subdivisions 1, 1a, 2, 3, 4, 5, and 6; 152.34; 152.35; 152.36, subdivisions 1, 1a, 2, 3, 4, and 5; and 152.37, are repealed.

(c) Minnesota Statutes 2022, section 152.027, subdivisions 3 and 4, are repealed.

(d) Minnesota Statutes 2022, section 152.21, is repealed.

(e) Minnesota Statutes 2022, sections 18K.08; 34A.01, subdivision 4; and 151.72, are repealed.

EFFECTIVE DATE. Paragraphs (a) and (b) are effective January 1, 2024. Paragraph (c) is effective August 1, 2023. Paragraph (d) is effective July 1, 2023. Paragraph (e) is effective March 1, 2024.

ARTICLE 7**TEMPORARY REGULATION OF CERTAIN PRODUCTS**

Section 1. Minnesota Statutes 2022, section 34A.01, subdivision 4, is amended to read:

Subd. 4. **Food.** "Food" means every ingredient used for, entering into the consumption of, or used or intended for use in the preparation of food, drink, confectionery, or condiment for humans or other animals, whether simple, mixed, or compound; and articles used as components of these ingredients, except that edible cannabinoid products, as defined in section 151.72, subdivision 1, paragraph ~~(e)~~ (f), are not food.

Sec. 2. Minnesota Statutes 2022, section 151.72, is amended to read:

151.72 SALE OF CERTAIN CANNABINOID PRODUCTS.

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

(a) "Synthetically derived cannabinoid" means a cannabinoid extracted from a hemp plant or hemp plant parts whose chemical makeup is changed after extraction to create a different cannabinoid or other chemical compound by applying a catalyst other than heat or light. Synthetically derived cannabinoid includes but is not limited to any tetrahydrocannabinol created from cannabidiol.

(b) "Batch" means a specific quantity of a specific product containing cannabinoids derived from hemp, including an edible cannabinoid product, that is manufactured at the same time and using the same methods, equipment, and ingredients that is uniform and intended to meet specifications for identity, strength, purity, and composition, and that is manufactured, packaged, and labeled according to a single batch production record executed and documented during the same cycle of manufacture and produced by a continuous process.

~~(b)~~ (c) "Certified hemp" means hemp plants that have been tested and found to meet the requirements of chapter 18K and the rules adopted thereunder.

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

(e) "Distributor" means a person who sells, arranges a sale, or delivers a product containing cannabinoids derived from hemp, including an edible cannabinoid product, that the person did not manufacture to a retail establishment for sale to consumers. Distributor does not include a common carrier used only to complete delivery to a retailer.

~~(e)~~ (f) "Edible cannabinoid product" means any product that is intended to be eaten or consumed as a beverage by humans, contains a cannabinoid in combination with food ingredients, and is not a drug.

~~(f)~~ (g) "Hemp" has the meaning given to "industrial hemp" in section 18K.02, subdivision 3.

~~(g)~~ (h) "Label" has the meaning given in section 151.01, subdivision 18.

~~(h)~~ (i) "Labeling" means all labels and other written, printed, or graphic matter that are:

(1) affixed to the immediate container in which a product regulated under this section is sold;

(2) provided, in any manner, with the immediate container, including but not limited to outer containers, wrappers, package inserts, brochures, or pamphlets; or

(3) provided on that portion of a manufacturer's website that is linked by a scannable barcode or matrix barcode.

~~(i)~~ (j) "Matrix barcode" means a code that stores data in a two-dimensional array of geometrically shaped dark and light cells capable of being read by the camera on a smartphone or other mobile device.

~~(j)~~ (k) "Nonintoxicating cannabinoid" means substances extracted from certified hemp plants that do not produce intoxicating effects when consumed by any route of administration.

(l) "Artificial cannabinoid" means a substance with a similar chemical structure and pharmacological activity to a cannabinoid, but which is not extracted or derived from hemp plants, or hemp plant parts and is instead created or produced by chemical or biochemical synthesis.

Subd. 2. **Scope.** (a) This section applies to the sale of any product that contains cannabinoids extracted from hemp and that is an edible cannabinoid product or is intended for human or animal consumption by any route of administration.

(b) This section does not apply to any product dispensed by a registered medical cannabis manufacturer pursuant to sections 152.22 to 152.37.

(c) The ~~board~~ commissioner must have no authority over food products, as defined in section 34A.01, subdivision 4, that do not contain cannabinoids extracted or derived from hemp.

Subd. 3. **Sale of cannabinoids derived from hemp.** (a) Notwithstanding any other section of this chapter, a product containing nonintoxicating cannabinoids, including an edible cannabinoid product, may be sold for human or animal consumption only if all of the requirements of this section are met, provided that a product sold for human or animal consumption does not contain more than 0.3 percent of any tetrahydrocannabinol and an edible cannabinoid product does not contain an amount of any tetrahydrocannabinol that exceeds the limits established in subdivision 5a, paragraph (f).

(b) No other substance extracted or otherwise derived from hemp may be sold for human consumption if the substance is intended:

(1) for external or internal use in the diagnosis, cure, mitigation, treatment, or prevention of disease in humans or other animals;~~or~~

(2) to affect the structure or any function of the bodies of humans or other animals;~~;~~

(3) to be consumed by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product; or

(4) to be consumed through injection or application to a mucous membrane or nonintact skin.

(c) No product containing any cannabinoid or tetrahydrocannabinol extracted or otherwise derived from hemp may be sold to any individual who is under the age of 21.

(d) Products that meet the requirements of this section are not controlled substances under section 152.02.

(e) Products may be sold for on-site consumption provided that all of the following conditions are met:

(1) the retailer must also hold an on-sale license issued under chapter 340A;

(2) products must be served in original packaging, but may be removed from the products' packaging by customers and consumed on site;

(3) products must not be sold to a customer who the retailer knows or reasonably should know is intoxicated;

(4) products must not be permitted to be mixed with an alcoholic beverage; and

(5) products that have been removed from packaging must not be removed from the premises.

Subd. 4. **Testing requirements.** (a) A manufacturer of a product regulated under this section must submit representative samples of each batch of the product to an independent, accredited

laboratory in order to certify that the product complies with the standards adopted by the board on or before July 1, 2023, or the standards adopted by the commissioner. Testing must be consistent with generally accepted industry standards for herbal and botanical substances, and, at a minimum, the testing must confirm that the product:

(1) contains the amount or percentage of cannabinoids that is stated on the label of the product;

(2) does not contain more than trace amounts of any mold, residual solvents or other catalysts, pesticides, fertilizers, or heavy metals; and

(3) does not contain more than 0.3 percent of any tetrahydrocannabinol.

(b) A manufacturer of a product regulated under this section must disclose all known information regarding pesticides, fertilizers, solvents, or other foreign materials applied to industrial hemp or added to industrial hemp during any production or processing stages of any batch from which a representative sample has been sent for testing, including any catalysts used to create synthetically derived cannabinoids. Disclosure must be made to the laboratory performing testing or sampling and, upon request, to the commissioner. Disclosure must include all information known to the licensee regardless of whether the application or addition was made intentionally or accidentally, or by the manufacturer or any other person.

~~(b)~~ (c) Upon the request of the ~~board~~ commissioner, the manufacturer of the product must provide the ~~board~~ commissioner with the results of the testing required in this section.

(d) The commissioner may determine that any testing laboratory that does not operate formal management systems under the International Organization for Standardization is not an accredited laboratory and require that a representative sample of a batch of the product be retested by a testing laboratory that meets this requirement.

~~(e)~~ (e) Testing of the hemp from which the nonintoxicating cannabinoid was derived, or possession of a certificate of analysis for such hemp, does not meet the testing requirements of this section.

Subd. 5. **Labeling requirements.** (a) A product regulated under this section must bear a label that contains, at a minimum:

(1) the name, location, contact phone number, and website of the manufacturer of the product;

(2) the name and address of the independent, accredited laboratory used by the manufacturer to test the product; ~~and~~

(3) the batch number; and

~~(3)~~ (4) an accurate statement of the amount or percentage of cannabinoids found in each unit of the product meant to be consumed.

(b) The information in paragraph (a) may be provided on an outer package if the immediate container that holds the product is too small to contain all of the information.

(c) The information required in paragraph (a) may be provided through the use of a scannable barcode or matrix barcode that links to a page on the manufacturer's website if that page contains all of the information required by this subdivision.

(d) The label must also include a statement stating that the product does not claim to diagnose, treat, cure, or prevent any disease and has not been evaluated or approved by the United States Food and Drug Administration (FDA) unless the product has been so approved.

(e) The information required by this subdivision must be prominently and conspicuously placed on the label or displayed on the website in terms that can be easily read and understood by the consumer.

(f) The labeling must not contain any claim that the product may be used or is effective for the prevention, treatment, or cure of a disease or that it may be used to alter the structure or function of human or animal bodies, unless the claim has been approved by the FDA.

Subd. 5a. **Additional requirements for edible cannabinoid products.** (a) In addition to the testing and labeling requirements under subdivisions 4 and 5, an edible cannabinoid must meet the requirements of this subdivision.

(b) An edible cannabinoid product must not:

(1) bear the likeness or contain cartoon-like characteristics of a real or fictional person, animal, or fruit that appeals to children;

(2) be modeled after a brand of products primarily consumed by or marketed to children;

(3) be made by applying an extracted or concentrated hemp-derived cannabinoid to a commercially available candy or snack food item;

(4) be substantively similar to a meat food product; poultry food product as defined in section 31A.02, subdivision 10; or a dairy product as defined in section 32D.01, subdivision 7;

~~(4)~~ (5) contain an ingredient, other than a hemp-derived cannabinoid, that is not approved by the United States Food and Drug Administration for use in food;

~~(5)~~ (6) be packaged in a way that resembles the trademarked, characteristic, or product-specialized packaging of any commercially available food product; or

~~(6)~~ (7) be packaged in a container that includes a statement, artwork, or design that could reasonably mislead any person to believe that the package contains anything other than an edible cannabinoid product.

(c) An edible cannabinoid product must be prepackaged in packaging or a container that is child-resistant, tamper-evident, and opaque or placed in packaging or a container that is child-resistant, tamper-evident, and opaque at the final point of sale to a customer. The requirement that packaging be child-resistant does not apply to an edible cannabinoid product that is intended to be consumed as a beverage and which contains no more than a ~~trace amount of any tetrahydrocannabinol~~ total of 0.25 milligrams of all tetrahydrocannabinols.

(d) If an edible cannabinoid product is intended for more than a single use or contains multiple servings, each serving must be indicated by scoring, wrapping, or other indicators designating the individual serving size that appear on the edible cannabinoid product. If the edible cannabinoid product is meant to be consumed as a beverage, the beverage container may not contain more than two servings per container.

(e) A label containing at least the following information must be affixed to the packaging or container of all edible cannabinoid products sold to consumers:

(1) the serving size;

(2) the cannabinoid profile per serving and in total;

(3) a list of ingredients, including identification of any major food allergens declared by name; and

(4) the following statement: "Keep this product out of reach of children."

(f) An edible cannabinoid product must not contain more than five milligrams of any tetrahydrocannabinol in a single serving, or more than a total of 50 milligrams of any tetrahydrocannabinol per package.

(g) An edible cannabinoid product may contain delta-8 tetrahydrocannabinol or delta-9 tetrahydrocannabinol that is extracted from hemp plants or hemp plant parts or is a synthetically derived cannabinoid. Edible cannabinoid products are prohibited from containing any other synthetically derived cannabinoid, including but not limited to THC-P, THC-O, and HHC, unless the commissioner authorizes use of the synthetically derived cannabinoid in edible cannabinoid products. Edible cannabinoid products are prohibited from containing artificial cannabinoids.

Subd. 5b. Registration; prohibitions. (a) On or before October 1, 2023, every person selling edible cannabinoid products to consumers must register with the commissioner in a form and manner established by the commissioner. After October 1, 2023, the sale of edible cannabinoid products by a person that is not registered is prohibited.

(b) The registration form must include an attestation of compliance attesting to the registrant's compliance with all applicable state and local requirements.

(c) The commissioner shall not charge a fee for registration under this subdivision.

Subd. 5c. Age verification. (a) Prior to initiating a sale or providing a free sample of an edible cannabinoid product, an employee of a retailer must verify that the customer is at least 21 years of age.

(b) Proof of age may be established only by one of the following:

(1) a valid driver's license or identification card issued by Minnesota, another state, a United States territory, or a province of Canada and including the photograph and date of birth of the licensed person;

(2) a valid Tribal identification card as defined in section 171.072, paragraph (b);

(3) a valid passport issued by the United States;

(4) a valid instructional permit issued under section 171.05 to a person of legal age to purchase edible cannabinoid products, which includes a photograph and the date of birth of the person issued the permit; or

(5) in the case of a foreign national, by a valid passport.

(c) A registered retailer may seize a form of identification listed under paragraph (b) if the registered retailer has reasonable grounds to believe that the form of identification has been altered or falsified or is being used to violate any law. A registered retailer that seizes a form of identification as authorized under this paragraph must deliver it to a law enforcement agency within 24 hours of seizing it.

Subd. 6. **Noncompliant products; enforcement.** (a) A product regulated under this section, including an edible cannabinoid product, shall be considered ~~an adulterated drug~~ a noncompliant product if the product is offered for sale in this state or if the product is manufactured, imported, distributed, or stored with the intent to be offered for sale in this state in violation of any provision of this section, including but not limited to if:

(1) it consists, in whole or in part, of any filthy, putrid, or decomposed substance;

(2) it has been produced, prepared, packed, or held under unsanitary conditions where it may have been rendered injurious to health, or where it may have been contaminated with filth;

(3) its container is composed, in whole or in part, of any poisonous or deleterious substance that may render the contents injurious to health;

(4) it contains any food additives, color additives, or excipients that have been found by the FDA to be unsafe for human or animal consumption;

(5) it contains an amount or percentage of nonintoxicating cannabinoids that is different than the amount or percentage stated on the label;

(6) it contains more than 0.3 percent of any tetrahydrocannabinol or, if the product is an edible cannabinoid product, an amount of tetrahydrocannabinol that exceeds the limits established in subdivision 5a, paragraph (f); or

(7) it contains more than trace amounts of mold, residual solvents, pesticides, fertilizers, or heavy metals.

(b) A product regulated under this section shall be considered a ~~misbranded drug~~ noncompliant product if the product's labeling is false or misleading in any manner or in violation of the requirements of this section.

(c) The board's authority to issue cease and desist orders under section 151.06; to embargo adulterated and misbranded drugs under section 151.38; and to seek injunctive relief under section 214.11, extends to any commissioner may assume that any product regulated under this section that is present in the state, other than a product lawfully possessed for personal use, has been manufactured, imported, distributed, or stored with the intent to be offered for sale in this state if a

product of the same type and brand was sold in the state on or after July 1, 2023, or if the product is in the possession of a person who has sold any product in violation of this section.

(d) The commissioner may enforce this section, including enforcement against a manufacturer or distributor of a product regulated under this section, under sections 144.989 to 144.993.

(e) The commissioner may enter into an interagency agreement with the Department of Agriculture and the Office of Cannabis Management to perform inspections and take other enforcement actions on behalf of the commissioner.

Subd. 7. Violations; criminal penalties. (a) Notwithstanding section 144.99, subdivision 11, a person who does any of the following regarding a product regulated under this section is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both:

(1) knowingly alters or otherwise falsifies testing results;

(2) intentionally alters or falsifies any information required to be included on the label of an edible cannabinoid product; or

(3) intentionally makes a false material statement to the commissioner.

(b) Notwithstanding section 144.99, subdivision 11, a person who does any of the following on the premises of a registered retailer or another business that sells retail goods to customers is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both:

(1) sells an edible cannabinoid product knowing that the product does not comply with the limits on the amount or types of cannabinoids that a product may contain;

(2) sells an edible cannabinoid product knowing that the product does not comply with the applicable testing, packaging, or labeling requirements; or

(3) sells an edible cannabinoid product to a person under the age of 21, except that it is an affirmative defense to a charge under this clause if the defendant proves by a preponderance of the evidence that the defendant reasonably and in good faith relied on proof of age as described in subdivision 5c.

Subd. 8. Civil actions. (a) A spouse, child, parent, guardian, employer, or other person injured in person, property, or means of support or who incurs other pecuniary loss by an intoxicated person or by the intoxication of another person has a right of action in the person's own name for all damages sustained against a person who caused the intoxication of that person by illegally selling any product governed by section 151.72. All damages recovered by a minor under this section must be paid either to the minor or to the minor's parent, guardian, or next friend as the court directs.

(b) All suits for damages under this section must be by a civil action in a court of this state having jurisdiction.

(c) Actions under this subdivision are governed by section 604.01.

(d) It is a defense for the defendant to prove by a preponderance of the evidence that the defendant reasonably and in good faith relied upon representations of proof of age in selling, bartering, furnishing, or giving the product governed by section 151.72.

(e) Nothing in this section precludes common law tort claims against any person 21 years of age or older who knowingly provides or furnishes any product governed by section 151.72 to a person under the age of 21 years.

Sec. 3. Minnesota Statutes 2022, section 152.22, is amended by adding a subdivision to read:

Subd. 5d. **Indian lands.** (a) "Indian lands" means all lands within the limits of any Indian reservation within the boundaries of Minnesota and any lands within the boundaries of Minnesota, title to which are either held in trust by the United States or over which an Indian Tribe exercises governmental power.

(b) This subdivision expires January 1, 2024.

Sec. 4. Minnesota Statutes 2022, section 152.22, is amended by adding a subdivision to read:

Subd. 15. **Tribal medical cannabis board.** (a) "Tribal medical cannabis board" means an agency established by each federally recognized Tribal government and duly authorized by that Tribe's governing body to perform regulatory oversight and monitor compliance with a Tribal medical cannabis program and applicable regulations.

(b) This subdivision expires January 1, 2024.

Sec. 5. Minnesota Statutes 2022, section 152.22, is amended by adding a subdivision to read:

Subd. 16. **Tribal medical cannabis program.** (a) "Tribal medical cannabis program" means a program established by a federally recognized Tribal government within the boundaries of Minnesota regarding the commercial production, processing, sale or distribution, and possession of medical cannabis and medical cannabis products.

(b) This subdivision expires January 1, 2024.

Sec. 6. Minnesota Statutes 2022, section 152.22, is amended by adding a subdivision to read:

Subd. 17. **Tribal medical cannabis program manufacturer.** (a) "Tribal medical cannabis program manufacturer" means an entity designated by a Tribal medical cannabis board within the boundaries of Minnesota or a federally recognized Tribal government within the boundaries of Minnesota to engage in production, processing, and sale or distribution of medical cannabis and medical cannabis products under that Tribe's Tribal medical cannabis program.

(b) This subdivision expires January 1, 2024.

Sec. 7. Minnesota Statutes 2022, section 152.22, is amended by adding a subdivision to read:

Subd. 18. **Tribal medical cannabis program patient.** (a) "Tribal medical cannabis program patient" means a person who possesses a valid registration verification card or equivalent document that is issued under the laws or regulations of a Tribal nation within the boundaries of Minnesota

and that verifies that the person is enrolled in or authorized to participate in that Tribal nation's Tribal medical cannabis program.

(b) This subdivision expires January 1, 2024.

Sec. 8. Minnesota Statutes 2022, section 152.29, subdivision 4, is amended to read:

Subd. 4. **Report.** (a) Each manufacturer shall report to the commissioner on a monthly basis the following information on each individual patient for the month prior to the report:

- (1) the amount and dosages of medical cannabis distributed;
- (2) the chemical composition of the medical cannabis; and
- (3) the tracking number assigned to any medical cannabis distributed.

(b) For transactions involving Tribal medical cannabis program patients, each manufacturer shall report to the commissioner on a weekly basis the following information on each individual Tribal medical cannabis program patient for the week prior to the report:

- (1) the name of the Tribal medical cannabis program in which the Tribal medical cannabis program patient is enrolled;
- (2) the amount and dosages of medical cannabis distributed;
- (3) the chemical composition of the medical cannabis distributed; and
- (4) the tracking number assigned to the medical cannabis distributed.

Sec. 9. Minnesota Statutes 2022, section 152.29, is amended by adding a subdivision to read:

Subd. 5. **Distribution to Tribal medical cannabis program patient.** (a) A manufacturer may distribute medical cannabis in accordance with subdivisions 1 to 4 to a Tribal medical cannabis program patient.

(b) Prior to distribution, the Tribal medical cannabis program patient must provide to the manufacturer:

- (1) a valid medical cannabis registration verification card or equivalent document issued by a Tribal medical cannabis program that indicates that the Tribal medical cannabis program patient is authorized to use medical cannabis on Indian lands over which the Tribe has jurisdiction; and
- (2) a valid photographic identification card issued by the Tribal medical cannabis program, a valid driver's license, or a valid state identification card.

(c) A manufacturer shall distribute medical cannabis to a Tribal medical cannabis program patient only in a form allowed under section 152.22, subdivision 6.

(d) This subdivision expires January 1, 2024.

Sec. 10. **[152.291] TRIBAL MEDICAL CANNABIS PROGRAM MANUFACTURER TRANSPORTATION.**

(a) A Tribal medical cannabis program manufacturer may transport medical cannabis to testing laboratories in the state and to other Indian lands.

(b) A Tribal medical cannabis program manufacturer must staff a motor vehicle used to transport medical cannabis with at least two employees of the manufacturer. Each employee in the transport vehicle must carry identification specifying that the employee is an employee of the manufacturer, and one employee in the transport vehicle must carry a detailed transportation manifest that includes the place and time of departure, the address of the destination, and a description and count of the medical cannabis being transported.

(c) This section expires January 1, 2024.

Sec. 11. Minnesota Statutes 2022, section 152.30, is amended to read:

152.30 PATIENT DUTIES.

(a) A patient shall apply to the commissioner for enrollment in the registry program by submitting an application as required in section 152.27 and an annual registration fee as determined under section 152.35.

(b) As a condition of continued enrollment, patients shall agree to:

(1) continue to receive regularly scheduled treatment for their qualifying medical condition from their health care practitioner; and

(2) report changes in their qualifying medical condition to their health care practitioner.

(c) A patient shall only receive medical cannabis from a registered manufacturer or Tribal medical cannabis program but is not required to receive medical cannabis products from only a registered manufacturer or Tribal medical cannabis program.

Sec. 12. Minnesota Statutes 2022, section 152.32, is amended to read:

152.32 PROTECTIONS FOR REGISTRY PROGRAM OR TRIBAL MEDICAL CANNABIS PROGRAM PARTICIPATION.

Subdivision 1. **Presumption.** (a) There is a presumption that a patient enrolled in the registry program under sections 152.22 to 152.37 or a Tribal medical cannabis program patient is engaged in the authorized use of medical cannabis.

(b) The presumption may be rebutted by evidence that:

(1) a patient's conduct related to use of medical cannabis was not for the purpose of treating or alleviating the patient's qualifying medical condition or symptoms associated with the patient's qualifying medical condition; or

(2) a Tribal medical cannabis program patient's use of medical cannabis was not for a purpose authorized by the Tribal medical cannabis program.

Subd. 2. **Criminal and civil protections.** (a) Subject to section 152.23, the following are not violations under this chapter:

(1) use or possession of medical cannabis or medical cannabis products by a patient enrolled in the registry program; ~~or~~; possession by a registered designated caregiver or the parent, legal guardian, or spouse of a patient if the parent, legal guardian, or spouse is listed on the registry verification; or use or possession of medical cannabis or medical cannabis products by a Tribal medical cannabis program patient;

(2) possession, dosage determination, or sale of medical cannabis or medical cannabis products by a medical cannabis manufacturer, employees of a manufacturer, a Tribal medical cannabis program manufacturer, employees of a Tribal medical cannabis program manufacturer, a laboratory conducting testing on medical cannabis, or employees of the laboratory; and

(3) possession of medical cannabis or medical cannabis products by any person while carrying out the duties required under sections 152.22 to 152.37.

(b) Medical cannabis obtained and distributed pursuant to sections 152.22 to 152.37 and associated property is not subject to forfeiture under sections 609.531 to 609.5316.

(c) The commissioner, members of a Tribal medical cannabis board, the commissioner's or Tribal medical cannabis board's staff, the commissioner's or Tribal medical cannabis board's agents or contractors, and any health care practitioner are not subject to any civil or disciplinary penalties by the Board of Medical Practice, the Board of Nursing, or by any business, occupational, or professional licensing board or entity, solely for ~~the~~ participation in the registry program under sections 152.22 to 152.37 or in a Tribal medical cannabis program. A pharmacist licensed under chapter 151 is not subject to any civil or disciplinary penalties by the Board of Pharmacy when acting in accordance with the provisions of sections 152.22 to 152.37. Nothing in this section affects a professional licensing board from taking action in response to violations of any other section of law.

(d) Notwithstanding any law to the contrary, the commissioner, the governor of Minnesota, or an employee of any state agency may not be held civilly or criminally liable for any injury, loss of property, personal injury, or death caused by any act or omission while acting within the scope of office or employment under sections 152.22 to 152.37.

(e) Federal, state, and local law enforcement authorities are prohibited from accessing the patient registry under sections 152.22 to 152.37 except when acting pursuant to a valid search warrant.

(f) Notwithstanding any law to the contrary, neither the commissioner nor a public employee may release data or information about an individual contained in any report, document, or registry created under sections 152.22 to 152.37 or any information obtained about a patient participating in the program, except as provided in sections 152.22 to 152.37.

(g) No information contained in a report, document, or registry or obtained from a patient under sections 152.22 to 152.37 or from a Tribal medical cannabis program patient may be admitted as

evidence in a criminal proceeding unless independently obtained or in connection with a proceeding involving a violation of sections 152.22 to 152.37.

(h) Notwithstanding section 13.09, any person who violates paragraph (e) or (f) is guilty of a gross misdemeanor.

(i) An attorney may not be subject to disciplinary action by the Minnesota Supreme Court, a Tribal court, or the professional responsibility board for providing legal assistance to prospective or registered manufacturers or others related to activity that is no longer subject to criminal penalties under state law pursuant to sections 152.22 to 152.37, or for providing legal assistance to a Tribal medical cannabis program or a Tribal medical cannabis program manufacturer.

~~(j) Possession of a registry verification or application for enrollment in the program by a person entitled to possess or apply for enrollment in the registry program does~~ The following do not constitute probable cause or reasonable suspicion, ~~nor~~ and shall ~~not~~ be used to support a search of the person or property of the person possessing or applying for the registry verification or equivalent, or otherwise subject the person or property of the person to inspection by any governmental agency:

(1) possession of a registry verification or application for enrollment in the registry program by a person entitled to possess a registry verification or apply for enrollment in the registry program;
or

(2) possession of a verification or equivalent issued by a Tribal medical cannabis program or application for enrollment in a Tribal medical cannabis program by a person entitled to possess such a verification or application.

Subd. 3. **Discrimination prohibited.** (a) No school or landlord may refuse to enroll or lease to and may not otherwise penalize a person solely for the person's status as a patient enrolled in the registry program under sections 152.22 to 152.37 or for the person's status as a Tribal medical cannabis program patient, unless failing to do so would violate federal law or regulations or cause the school or landlord to lose a monetary or licensing-related benefit under federal law or regulations.

(b) For the purposes of medical care, including organ transplants, a registry program enrollee's use of medical cannabis under sections 152.22 to 152.37, or a Tribal medical cannabis program patient's use of medical cannabis as authorized by the Tribal medical cannabis program, is considered the equivalent of the authorized use of any other medication used at the discretion of a physician, advanced practice registered nurse, or physician assistant and does not constitute the use of an illicit substance or otherwise disqualify a patient from needed medical care.

(c) Unless a failure to do so would violate federal law or regulations or cause an employer to lose a monetary or licensing-related benefit under federal law or regulations, an employer may not discriminate against a person in hiring, termination, or any term or condition of employment, or otherwise penalize a person, if the discrimination is based upon ~~either~~ any of the following:

(1) the person's status as a patient enrolled in the registry program under sections 152.22 to 152.37; ~~or~~

(2) the person's status as a Tribal medical cannabis program patient; or

~~(2)~~ (3) a patient's positive drug test for cannabis components or metabolites, unless the patient used, possessed, or was impaired by medical cannabis on the premises of the place of employment or during the hours of employment.

(d) An employee who is required to undergo employer drug testing pursuant to section 181.953 may present verification of enrollment in the patient registry or of enrollment in a Tribal medical cannabis program as part of the employee's explanation under section 181.953, subdivision 6.

(e) A person shall not be denied custody of a minor child or visitation rights or parenting time with a minor child solely based on the person's status as a patient enrolled in the registry program under sections 152.22 to 152.37, or on the person's status as a Tribal medical cannabis program patient. There shall be no presumption of neglect or child endangerment for conduct allowed under sections 152.22 to 152.37 or under a Tribal medical cannabis program, unless the person's behavior is such that it creates an unreasonable danger to the safety of the minor as established by clear and convincing evidence.

Sec. 13. Minnesota Statutes 2022, section 152.33, subdivision 1, is amended to read:

Subdivision 1. **Intentional diversion; criminal penalty.** In addition to any other applicable penalty in law, a manufacturer or an agent of a manufacturer who intentionally transfers medical cannabis to a person other than another registered manufacturer, a patient, a Tribal medical cannabis program patient, a registered designated caregiver or, if listed on the registry verification, a parent, legal guardian, or spouse of a patient is guilty of a felony punishable by imprisonment for not more than two years or by payment of a fine of not more than \$3,000, or both. A person convicted under this subdivision may not continue to be affiliated with the manufacturer and is disqualified from further participation under sections 152.22 to 152.37.

Sec. 14. Minnesota Statutes 2022, section 340A.412, subdivision 14, is amended to read:

Subd. 14. **Exclusive liquor stores.** (a) Except as otherwise provided in this subdivision, an exclusive liquor store may sell only the following items:

- (1) alcoholic beverages;
- (2) tobacco products;
- (3) ice;
- (4) beverages, either liquid or powder, specifically designated for mixing with intoxicating liquor;
- (5) soft drinks;
- (6) liqueur-filled candies;
- (7) food products that contain more than one-half of one percent alcohol by volume;
- (8) cork extraction devices;
- (9) books and videos on the use of alcoholic beverages;

(10) magazines and other publications published primarily for information and education on alcoholic beverages;

(11) multiple-use bags designed to carry purchased items;

(12) devices designed to ensure safe storage and monitoring of alcohol in the home, to prevent access by underage drinkers;

(13) home brewing equipment;

(14) clothing marked with the specific name, brand, or identifying logo of the exclusive liquor store, and bearing no other name, brand, or identifying logo;

(15) citrus fruit; ~~and~~

(16) glassware; and

(17) edible cannabinoid products as defined in section 151.72, subdivision 1, paragraph (f). This clause expires July 1, 2024.

(b) An exclusive liquor store that has an on-sale, or combination on-sale and off-sale license may sell food for on-premise consumption when authorized by the municipality issuing the license.

(c) An exclusive liquor store may offer live or recorded entertainment.

Sec. 15. EDIBLE CANNABINOID PRODUCTS; ENFORCEMENT.

(a) The Department of Health shall enforce the provisions of Minnesota Statutes, section 151.72, and all rules, orders, stipulation agreements, settlements, compliance agreements, and registrations related to that section adopted or issued by the Office of Medical Cannabis or the Department of Health pursuant to the Health Enforcement Consolidation Act of 1993 contained in Minnesota Statutes, sections 144.989 to 144.993. The commissioner of health may assign enforcement responsibilities to the Office of Medical Cannabis.

(b) The enforcement authority under paragraph (a) shall transfer to the Office of Cannabis Management at any such time that the powers and duties of the Department of Health, with respect to the medical cannabis program under Minnesota Statutes 2022, sections 152.22 to 152.37, are transferred to the Office of Cannabis Management. The director of the Office of Cannabis Management may assign enforcement responsibilities to the Division of Medical Cannabis.

(c) This section shall expire on July 1, 2024.

Sec. 16. OFFICE OF CANNABIS MANAGEMENT IMPLEMENTATION.

(a) The commissioner of agriculture may exercise all authorities and responsibilities granted to the Office of Cannabis Management under Minnesota Statutes, chapter 342, that are necessary to establish the Office of Cannabis Management and transition programs, authorities, and responsibilities to it.

(b) On or after January 1, 2024, and at such time that the office is able to fulfill the powers and duties enumerated in Minnesota Statutes, section 342.02, subdivision 2, the commissioner of agriculture may transfer all or some chapter 342 programs, authorities, and responsibilities to the Office of Cannabis Management. Upon such transfer, existing contracts, obligations, and funds managed by the commissioner of agriculture that are necessary to administer the transferred programs, authorities, or responsibilities shall be transferred to the Office of Cannabis Management.

(c) To the extent necessary to establish the Office of Cannabis Management and fulfill the powers and duties enumerated in Minnesota Statutes, section 342.02, the commissioner of agriculture and the Office of Cannabis Management are exempt from the requirements of Minnesota Statutes, section 16A.15, subdivision 3, until July 1, 2025.

Sec. 17. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 8

SCHEDULING OF MARIJUANA

Section 1. Minnesota Statutes 2022, section 152.02, subdivision 2, is amended to read:

Subd. 2. **Schedule I.** (a) Schedule I consists of the substances listed in this subdivision.

(b) Opiates. Unless specifically excepted or unless listed in another schedule, any of the following substances, including their analogs, isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of the analogs, isomers, esters, ethers, and salts is possible:

- (1) acetylmethadol;
- (2) allylprodine;
- (3) alphacetylmethadol (except levo-alphacetylmethadol, also known as levomethadyl acetate);
- (4) alphameprodine;
- (5) alphamethadol;
- (6) alpha-methylfentanyl benzethidine;
- (7) betacetylmethadol;
- (8) betameprodine;
- (9) betamethadol;
- (10) betaprodine;
- (11) clonitazene;

- (12) dextromoramide;
- (13) diampromide;
- (14) diethylambutene;
- (15) difenoxin;
- (16) dimenoxadol;
- (17) dimepheptanol;
- (18) dimethylambutene;
- (19) dioxaphetyl butyrate;
- (20) dipipanone;
- (21) ethylmethylthiambutene;
- (22) etonitazene;
- (23) etoxeridine;
- (24) furethidine;
- (25) hydroxypethidine;
- (26) ketobemidone;
- (27) levomoramide;
- (28) levophenacylmorphan;
- (29) 3-methylfentanyl;
- (30) acetyl-alpha-methylfentanyl;
- (31) alpha-methylthiofentanyl;
- (32) benzylfentanyl beta-hydroxyfentanyl;
- (33) beta-hydroxy-3-methylfentanyl;
- (34) 3-methylthiofentanyl;
- (35) thenylfentanyl;
- (36) thiofentanyl;
- (37) para-fluorofentanyl;

- (38) morpheridine;
- (39) 1-methyl-4-phenyl-4-propionoxypiperidine;
- (40) noracymethadol;
- (41) norlevorphanol;
- (42) normethadone;
- (43) norpipanone;
- (44) 1-(2-phenylethyl)-4-phenyl-4-acetoxypiperidine (PEPAP);
- (45) phenadoxone;
- (46) phenampromide;
- (47) phenomorphan;
- (48) phenoperidine;
- (49) piritramide;
- (50) proheptazine;
- (51) properidine;
- (52) propiram;
- (53) racemoramide;
- (54) tilidine;
- (55) trimeperidine;
- (56) N-(1-Phenethylpiperidin-4-yl)-N-phenylacetamide (acetyl fentanyl);
- (57) 3,4-dichloro-N-[(1R,2R)-2-(dimethylamino)cyclohexyl]-N-methylbenzamide(U47700);
- (58) N-phenyl-N-[1-(2-phenylethyl)piperidin-4-yl]furan-2-carboxamide(furanyl fentanyl);
- (59) 4-(4-bromophenyl)-4-dimethylamino-1-phenethylcyclohexanol (bromadol);
- (60) N-(1-phenethylpiperidin-4-yl)-N-phenylcyclopropanecarboxamide (Cyclopropyl fentanyl);
- (61) N-(1-phenethylpiperidin-4-yl)-N-phenylbutanamide) (butyryl fentanyl);
- (62) 1-cyclohexyl-4-(1,2-diphenylethyl)piperazine) (MT-45);

- (63) N-(1-phenethylpiperidin-4-yl)-N-phenylcyclopentanecarboxamide (cyclopentyl fentanyl);
- (64) N-(1-phenethylpiperidin-4-yl)-N-phenylisobutyramide (isobutyryl fentanyl);
- (65) N-(1-phenethylpiperidin-4-yl)-N-phenylpentanamide (valeryl fentanyl);
- (66) N-(4-chlorophenyl)-N-(1-phenethylpiperidin-4-yl)isobutyramide (para-chloroisobutyryl fentanyl);
- (67) N-(4-fluorophenyl)-N-(1-phenethylpiperidin-4-yl)butyramide (para-fluorobutyryl fentanyl);
- (68) N-(4-methoxyphenyl)-N-(1-phenethylpiperidin-4-yl)butyramide (para-methoxybutyryl fentanyl);
- (69) N-(2-fluorophenyl)-2-methoxy-N-(1-phenethylpiperidin-4-yl)acetamide (ocfentanil);
- (70) N-(4-fluorophenyl)-N-(1-phenethylpiperidin-4-yl)isobutyramide (4-fluoroisobutyryl fentanyl or para-fluoroisobutyryl fentanyl);
- (71) N-(1-phenethylpiperidin-4-yl)-N-phenylacrylamide (acryl fentanyl or acryloylfentanyl);
- (72) 2-methoxy-N-(1-phenethylpiperidin-4-yl)-N-phenylacetamide (methoxyacetyl fentanyl);
- (73) N-(2-fluorophenyl)-N-(1-phenethylpiperidin-4-yl)propionamide (ortho-fluorofentanyl or 2-fluorofentanyl);
- (74) N-(1-phenethylpiperidin-4-yl)-N-phenyltetrahydrofuran-2-carboxamide (tetrahydrofuranfentanyl); and
- (75) Fentanyl-related substances, their isomers, esters, ethers, salts and salts of isomers, esters and ethers, meaning any substance not otherwise listed under another federal Administration Controlled Substance Code Number or not otherwise listed in this section, and for which no exemption or approval is in effect under section 505 of the Federal Food, Drug, and Cosmetic Act, United States Code , title 21, section 355, that is structurally related to fentanyl by one or more of the following modifications:
- (i) replacement of the phenyl portion of the phenethyl group by any monocycle, whether or not further substituted in or on the monocycle;
 - (ii) substitution in or on the phenethyl group with alkyl, alkenyl, alkoxy, hydroxyl, halo, haloalkyl, amino, or nitro groups;
 - (iii) substitution in or on the piperidine ring with alkyl, alkenyl, alkoxy, ester, ether, hydroxyl, halo, haloalkyl, amino, or nitro groups;
 - (iv) replacement of the aniline ring with any aromatic monocycle whether or not further substituted in or on the aromatic monocycle; or
 - (v) replacement of the N-propionyl group by another acyl group.

(c) Opium derivatives. Any of the following substances, their analogs, salts, isomers, and salts of isomers, unless specifically excepted or unless listed in another schedule, whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

- (1) acetorphine;
- (2) acetyldihydrocodeine;
- (3) benzylmorphine;
- (4) codeine methylbromide;
- (5) codeine-n-oxide;
- (6) cyprenorphine;
- (7) desomorphine;
- (8) dihydromorphine;
- (9) drotebanol;
- (10) etorphine;
- (11) heroin;
- (12) hydromorphanol;
- (13) methyldesorphine;
- (14) methyldihydromorphine;
- (15) morphine methylbromide;
- (16) morphine methylsulfonate;
- (17) morphine-n-oxide;
- (18) myrophine;
- (19) nicocodeine;
- (20) nicomorphine;
- (21) normorphine;
- (22) pholcodine; and
- (23) thebacon.

(d) Hallucinogens. Any material, compound, mixture or preparation which contains any quantity of the following substances, their analogs, salts, isomers (whether optical, positional, or geometric), and salts of isomers, unless specifically excepted or unless listed in another schedule, whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

- (1) methylenedioxy amphetamine;
- (2) methylenedioxymethamphetamine;
- (3) methylenedioxy-N-ethylamphetamine (MDEA);
- (4) n-hydroxy-methylenedioxyamphetamine;
- (5) 4-bromo-2,5-dimethoxyamphetamine (DOB);
- (6) 2,5-dimethoxyamphetamine (2,5-DMA);
- (7) 4-methoxyamphetamine;
- (8) 5-methoxy-3, 4-methylenedioxyamphetamine;
- (9) alpha-ethyltryptamine;
- (10) bufotenine;
- (11) diethyltryptamine;
- (12) dimethyltryptamine;
- (13) 3,4,5-trimethoxyamphetamine;
- (14) 4-methyl-2, 5-dimethoxyamphetamine (DOM);
- (15) ibogaine;
- (16) lysergic acid diethylamide (LSD);
- (17) mescaline;
- (18) parahexyl;
- (19) N-ethyl-3-piperidyl benzilate;
- (20) N-methyl-3-piperidyl benzilate;
- (21) psilocybin;
- (22) psilocyn;
- (23) tenocyclidine (TPCP or TCP);

- (24) N-ethyl-1-phenyl-cyclohexylamine (PCE);
- (25) 1-(1-phenylcyclohexyl) pyrrolidine (PCPy);
- (26) 1-[1-(2-thienyl)cyclohexyl]-pyrrolidine (TCPy);
- (27) 4-chloro-2,5-dimethoxyamphetamine (DOC);
- (28) 4-ethyl-2,5-dimethoxyamphetamine (DOET);
- (29) 4-iodo-2,5-dimethoxyamphetamine (DOI);
- (30) 4-bromo-2,5-dimethoxyphenethylamine (2C-B);
- (31) 4-chloro-2,5-dimethoxyphenethylamine (2C-C);
- (32) 4-methyl-2,5-dimethoxyphenethylamine (2C-D);
- (33) 4-ethyl-2,5-dimethoxyphenethylamine (2C-E);
- (34) 4-iodo-2,5-dimethoxyphenethylamine (2C-I);
- (35) 4-propyl-2,5-dimethoxyphenethylamine (2C-P);
- (36) 4-isopropylthio-2,5-dimethoxyphenethylamine (2C-T-4);
- (37) 4-propylthio-2,5-dimethoxyphenethylamine (2C-T-7);
- (38) 2-(8-bromo-2,3,6,7-tetrahydrofuro [2,3-f][1]benzofuran-4-yl)ethanamine (2-CB-FLY);
- (39) bromo-benzodifuranyl-isopropylamine (Bromo-DragonFLY);
- (40) alpha-methyltryptamine (AMT);
- (41) N,N-diisopropyltryptamine (DiPT);
- (42) 4-acetoxy-N,N-dimethyltryptamine (4-AcO-DMT);
- (43) 4-acetoxy-N,N-diethyltryptamine (4-AcO-DET);
- (44) 4-hydroxy-N-methyl-N-propyltryptamine (4-HO-MPT);
- (45) 4-hydroxy-N,N-dipropyltryptamine (4-HO-DPT);
- (46) 4-hydroxy-N,N-diallyltryptamine (4-HO-DALT);
- (47) 4-hydroxy-N,N-diisopropyltryptamine (4-HO-DiPT);
- (48) 5-methoxy-N,N-diisopropyltryptamine (5-MeO-DiPT);
- (49) 5-methoxy- α -methyltryptamine (5-MeO-AMT);

- (50) 5-methoxy-N,N-dimethyltryptamine (5-MeO-DMT);
 - (51) 5-methylthio-N,N-dimethyltryptamine (5-MeS-DMT);
 - (52) 5-methoxy-N-methyl-N-isopropyltryptamine (5-MeO-MiPT);
 - (53) 5-methoxy- α -ethyltryptamine (5-MeO-AET);
 - (54) 5-methoxy-N,N-dipropyltryptamine (5-MeO-DPT);
 - (55) 5-methoxy-N,N-diethyltryptamine (5-MeO-DET);
 - (56) 5-methoxy-N,N-diallyltryptamine (5-MeO-DALT);
 - (57) methoxetamine (MXE);
 - (58) 5-iodo-2-aminoindane (5-IAI);
 - (59) 5,6-methylenedioxy-2-aminoindane (MDAI);
 - (60) 2-(4-bromo-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine (25B-NBOMe);
 - (61) 2-(4-chloro-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine (25C-NBOMe);
 - (62) 2-(4-iodo-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine (25I-NBOMe);
 - (63) 2-(2,5-Dimethoxyphenyl)ethanamine (2C-H);
 - (64) 2-(4-Ethylthio-2,5-dimethoxyphenyl)ethanamine (2C-T-2);
 - (65) N,N-Dipropyltryptamine (DPT);
 - (66) 3-[1-(Piperidin-1-yl)cyclohexyl]phenol (3-HO-PCP);
 - (67) N-ethyl-1-(3-methoxyphenyl)cyclohexanamine (3-MeO-PCE);
 - (68) 4-[1-(3-methoxyphenyl)cyclohexyl]morpholine (3-MeO-PCMo);
 - (69) 1-[1-(4-methoxyphenyl)cyclohexyl]-piperidine (methoxydine, 4-MeO-PCP);
 - (70) 2-(2-Chlorophenyl)-2-(ethylamino)cyclohexan-1-one (N-Ethylorketamine, ethketamine, NENK);
 - (71) methylenedioxy-N,N-dimethylamphetamine (MDDMA);
 - (72) 3-(2-Ethyl(methyl)aminoethyl)-1H-indol-4-yl (4-AcO-MET); and
 - (73) 2-Phenyl-2-(methylamino)cyclohexanone (deschloroketamine).
- (e) Peyote. All parts of the plant presently classified botanically as *Lophophora williamsii* Lemaire, whether growing or not, the seeds thereof, any extract from any part of the plant, and every

compound, manufacture, salts, derivative, mixture, or preparation of the plant, its seeds or extracts. The listing of peyote as a controlled substance in Schedule I does not apply to the nondrug use of peyote in bona fide religious ceremonies of the American Indian Church, and members of the American Indian Church are exempt from registration. Any person who manufactures peyote for or distributes peyote to the American Indian Church, however, is required to obtain federal registration annually and to comply with all other requirements of law.

(f) Central nervous system depressants. Unless specifically excepted or unless listed in another schedule, any material compound, mixture, or preparation which contains any quantity of the following substances, their analogs, salts, isomers, and salts of isomers whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

- (1) mecloqualone;
- (2) methaqualone;
- (3) gamma-hydroxybutyric acid (GHB), including its esters and ethers;
- (4) flunitrazepam;
- (5) 2-(2-Methoxyphenyl)-2-(methylamino)cyclohexanone (2-MeO-2-deschloroketamine, methoxyketamine);
- (6) tianeptine;
- (7) clonazepam;
- (8) etizolam;
- (9) flubromazepam; and
- (10) flubromazepam.

(g) Stimulants. Unless specifically excepted or unless listed in another schedule, any material compound, mixture, or preparation which contains any quantity of the following substances, their analogs, salts, isomers, and salts of isomers whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

- (1) aminorex;
- (2) cathinone;
- (3) fenethylamine;
- (4) methcathinone;
- (5) methylaminorex;
- (6) N,N-dimethylamphetamine;

- (7) N-benzylpiperazine (BZP);
- (8) methylmethcathinone (mephedrone);
- (9) 3,4-methylenedioxy-N-methylcathinone (methydone);
- (10) methoxymethcathinone (methedrone);
- (11) methylenedioxypropylvalerone (MDPV);
- (12) 3-fluoro-N-methylcathinone (3-FMC);
- (13) methylethcathinone (MEC);
- (14) 1-benzofuran-6-ylpropan-2-amine (6-APB);
- (15) dimethylmethcathinone (DMMC);
- (16) fluoroamphetamine;
- (17) fluoromethamphetamine;
- (18) α -methylaminobutyrophenone (MABP or buphedrone);
- (19) 1-(1,3-benzodioxol-5-yl)-2-(methylamino)butan-1-one (butylone);
- (20) 2-(methylamino)-1-(4-methylphenyl)butan-1-one (4-MEMABP or BZ-6378);
- (21) 1-(naphthalen-2-yl)-2-(pyrrolidin-1-yl) pentan-1-one (naphthylpyrovalerone or naphyrone);
- (22) (alpha-pyrrolidinopentiophenone (alpha-PVP);
- (23) (RS)-1-(4-methylphenyl)-2-(1-pyrrolidinyl)-1-hexanone (4-Me-PHP or MPHP);
- (24) 2-(1-pyrrolidinyl)-hexanophenone (Alpha-PHP);
- (25) 4-methyl-N-ethylcathinone (4-MEC);
- (26) 4-methyl-alpha-pyrrolidinopropiophenone (4-MePPP);
- (27) 2-(methylamino)-1-phenylpentan-1-one (pentedrone);
- (28) 1-(1,3-benzodioxol-5-yl)-2-(methylamino)pentan-1-one (pentylone);
- (29) 4-fluoro-N-methylcathinone (4-FMC);
- (30) 3,4-methylenedioxy-N-ethylcathinone (ethylone);
- (31) alpha-pyrrolidinobutiophenone (α -PBP);
- (32) 5-(2-Aminopropyl)-2,3-dihydrobenzofuran (5-APDB);

- (33) 1-phenyl-2-(1-pyrrolidiny)-1-heptanone (PV8);
- (34) 6-(2-Aminopropyl)-2,3-dihydrobenzofuran (6-APDB);
- (35) 4-methyl-alpha-ethylaminopentiophenone (4-MEAPP);
- (36) 4'-chloro-alpha-pyrrolidinopropiophenone (4'-chloro-PPP);
- (37) 1-(1,3-Benzodioxol-5-yl)-2-(dimethylamino)butan-1-one (dibutylone, bk-DMBDB);
- (38) 1-(3-chlorophenyl) piperazine (meta-chlorophenylpiperazine or mCPP);
- (39) 1-(1,3-benzodioxol-5-yl)-2-(ethylamino)-pentan-1-one (N-ethylpentylone, ephylone); and

(40) any other substance, except bupropion or compounds listed under a different schedule, that is structurally derived from 2-aminopropan-1-one by substitution at the 1-position with either phenyl, naphthyl, or thiophene ring systems, whether or not the compound is further modified in any of the following ways:

(i) by substitution in the ring system to any extent with alkyl, alkylendioxy, alkoxy, haloalkyl, hydroxyl, or halide substituents, whether or not further substituted in the ring system by one or more other univalent substituents;

(ii) by substitution at the 3-position with an acyclic alkyl substituent;

(iii) by substitution at the 2-amino nitrogen atom with alkyl, dialkyl, benzyl, or methoxybenzyl groups; or

(iv) by inclusion of the 2-amino nitrogen atom in a cyclic structure.

~~(h) Marijuana, tetrahydrocannabinols, and synthetic cannabinoids. Unless specifically excepted or unless listed in another schedule, any natural or synthetic material, compound, mixture, or preparation that contains any quantity of the following substances, their analogs, isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of the isomers, esters, ethers, or salts is possible:~~

~~(1) marijuana;~~

~~(2) tetrahydrocannabinols naturally contained in a plant of the genus Cannabis, except that tetrahydrocannabinols do not include any material, compound, mixture, or preparation that qualifies as industrial hemp as defined in section 18K.02, subdivision 3; synthetic equivalents of the substances contained in the cannabis plant or in the resinous extractives of the plant; or synthetic substances with similar chemical structure and pharmacological activity to those substances contained in the plant or resinous extract, including, but not limited to, 1-cis or trans tetrahydrocannabinol, 6-cis or trans tetrahydrocannabinol, and 3,4-cis or trans tetrahydrocannabinol;~~

(3) (h) Synthetic Artificial cannabinoids, including the following substances:

(~~+~~) (1) Naphthoylindoles, which are any compounds containing a 3-(1-naphthoyl)indole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the naphthyl ring to any extent. Examples of naphthoylindoles include, but are not limited to:

- (~~A~~) (i) 1-Pentyl-3-(1-naphthoyl)indole (JWH-018 and AM-678);
- (~~B~~) (ii) 1-Butyl-3-(1-naphthoyl)indole (JWH-073);
- (~~C~~) (iii) 1-Pentyl-3-(4-methoxy-1-naphthoyl)indole (JWH-081);
- (~~D~~) (iv) 1-[2-(4-morpholinyl)ethyl]-3-(1-naphthoyl)indole (JWH-200);
- (~~E~~) (v) 1-Propyl-2-methyl-3-(1-naphthoyl)indole (JWH-015);
- (~~F~~) (vi) 1-Hexyl-3-(1-naphthoyl)indole (JWH-019);
- (~~G~~) (vii) 1-Pentyl-3-(4-methyl-1-naphthoyl)indole (JWH-122);
- (~~H~~) (viii) 1-Pentyl-3-(4-ethyl-1-naphthoyl)indole (JWH-210);
- (~~I~~) (ix) 1-Pentyl-3-(4-chloro-1-naphthoyl)indole (JWH-398);
- (~~J~~) (x) 1-(5-fluoropentyl)-3-(1-naphthoyl)indole (AM-2201).

(~~+~~) (2) Naphthylmethyloindoles, which are any compounds containing a 1H-indol-3-yl-(1-naphthyl)methane structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the naphthyl ring to any extent. Examples of naphthylmethyloindoles include, but are not limited to:

- (~~A~~) (i) 1-Pentyl-1H-indol-3-yl-(1-naphthyl)methane (JWH-175);
- (~~B~~) (ii) 1-Pentyl-1H-indol-3-yl-(4-methyl-1-naphthyl)methane (JWH-184).

(~~+~~) (3) Naphthoylpyrroles, which are any compounds containing a 3-(1-naphthoyl)pyrrole structure with substitution at the nitrogen atom of the pyrrole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the pyrrole ring to any extent, whether or not substituted in the naphthyl ring to any extent. Examples of naphthoylpyrroles include, but are not limited to, (5-(2-fluorophenyl)-1-pentylpyrrol-3-yl)-naphthalen-1-ylmethanone (JWH-307).

(~~+~~) (4) Naphthylmethyloindenes, which are any compounds containing a naphthylideneindene structure with substitution at the 3-position of the indene ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indene ring to any extent, whether or not substituted

in the naphthyl ring to any extent. Examples of naphthylemethylenes include, but are not limited to, E-1-[1-(1-naphthalenylmethylene)-1H-inden-3-yl]pentane (JWH-176).

~~(v)~~ (5) Phenylacetylindoles, which are any compounds containing a 3-phenylacetylindole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indole ring to any extent, whether or not substituted in the phenyl ring to any extent. Examples of phenylacetylindoles include, but are not limited to:

~~(A)~~ (i) 1-(2-cyclohexylethyl)-3-(2-methoxyphenylacetyl)indole (RCS-8);

~~(B)~~ (ii) 1-pentyl-3-(2-methoxyphenylacetyl)indole (JWH-250);

~~(C)~~ (iii) 1-pentyl-3-(2-methylphenylacetyl)indole (JWH-251);

~~(D)~~ (iv) 1-pentyl-3-(2-chlorophenylacetyl)indole (JWH-203).

~~(vi)~~ (6) Cyclohexylphenols, which are compounds containing a 2-(3-hydroxycyclohexyl)phenol structure with substitution at the 5-position of the phenolic ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not substituted in the cyclohexyl ring to any extent. Examples of cyclohexylphenols include, but are not limited to:

~~(A)~~ (i) 5-(1,1-dimethylheptyl)-2-[(1R,3S)-3-hydroxycyclohexyl]-phenol (CP 47,497);

~~(B)~~ (ii) 5-(1,1-dimethyloctyl)-2-[(1R,3S)-3-hydroxycyclohexyl]-phenol (Cannabicyclohexanol or CP 47,497 C8 homologue);

~~(C)~~ (iii) 5-(1,1-dimethylheptyl)-2-[(1R,2R)-5-hydroxy-2-(3-hydroxypropyl)cyclohexyl]-phenol (CP 55,940).

~~(vii)~~ (7) Benzoylindoles, which are any compounds containing a 3-(benzoyl)indole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indole ring to any extent and whether or not substituted in the phenyl ring to any extent. Examples of benzoylindoles include, but are not limited to:

~~(A)~~ (i) 1-Pentyl-3-(4-methoxybenzoyl)indole (RCS-4);

~~(B)~~ (ii) 1-(5-fluoropentyl)-3-(2-iodobenzoyl)indole (AM-694);

~~(C)~~ (iii) (4-methoxyphenyl-[2-methyl-1-(2-(4-morpholinyl)ethyl)indol-3-yl]methanone (WIN 48,098 or Pravadoline).

~~(viii)~~ (8) Others specifically named:

~~(A)~~ (i) (6aR,10aR)-9-(hydroxymethyl)-6,6-dimethyl-3-(2-methyloctan-2-yl)-6a,7,10,10a-tetrahydrobenzo[c]chromen-1-ol (HU-210);

- (~~B~~) (ii) (6aS,10aS)-9-(hydroxymethyl)-6,6-dimethyl-3-(2-methyloctan-2-yl)-6a,7,10,10a-tetrahydrobenzo[c]chromen-1-ol (Dexanabinol or HU-211);
- (~~C~~) (iii) 2,3-dihydro-5-methyl-3-(4-morpholinylmethyl)pyrrolo[1,2,3-de]-1,4-benzoxazin-6-yl-1-naphthalenylmethanone (WIN 55,212-2);
- (~~D~~) (iv) (1-pentylindol-3-yl)-(2,2,3,3-tetramethylcyclopropyl)methanone (UR-144);
- (~~E~~) (v) (1-(5-fluoropentyl)-1H-indol-3-yl)(2,2,3,3-tetramethylcyclopropyl)methanone (XLR-11);
- (~~F~~) (vi) 1-pentyl-N-tricyclo[3.3.1.1^{3,7}]dec-1-yl-1H-indazole-3-carboxamide (AKB-48(APINACA));
- (~~G~~) (vii) N-((3s,5s,7s)-adamantan-1-yl)-1-(5-fluoropentyl)-1H-indazole-3-carboxamide (5-Fluoro-AKB-48);
- (~~H~~) (viii) 1-pentyl-8-quinolinyl ester-1H-indole-3-carboxylic acid (PB-22);
- (~~I~~) (ix) 8-quinolinyl ester-1-(5-fluoropentyl)-1H-indole-3-carboxylic acid (5-Fluoro PB-22);
- (~~J~~) (x) N-[(1S)-1-(aminocarbonyl)-2-methylpropyl]-1-pentyl-1H-indazole-3-carboxamide (AB-PINACA);
- (~~K~~) (xi) N-[(1S)-1-(aminocarbonyl)-2-methylpropyl]-1-[(4-fluorophenyl)methyl]-1H-indazole-3-carboxamide (AB-FUBINACA);
- (~~L~~) (xii) N-[(1S)-1-(aminocarbonyl)-2-methylpropyl]-1-(cyclohexylmethyl)-1H-indazole-3-carboxamide(AB-CHMINACA);
- (~~M~~) (xiii) (S)-methyl 2-(1-(5-fluoropentyl)-1H-indazole-3-carboxamido)-3-methylbutanoate (5-fluoro-AMB);
- (~~N~~) (xiv) [1-(5-fluoropentyl)-1H-indazol-3-yl](naphthalen-1-yl) methanone (THJ-2201);
- (~~O~~) (xv) (1-(5-fluoropentyl)-1H-benzo[d]imidazol-2-yl)(naphthalen-1-yl)methanone (FUBIMINA);
- (~~P~~) (xvi) (7-methoxy-1-(2-morpholinoethyl)-N-((1S,2S,4R)-1,3,3-trimethylbicyclo[2.2.1]heptan-2-yl)-1H-indole-3-carboxamide (MN-25 or UR-12);
- (~~Q~~) (xvii) (S)-N-(1-amino-3-methyl-1-oxobutan-2-yl)-1-(5-fluoropentyl)-1H-indole-3-carboxamide (5-fluoro-ABICA);
- (~~R~~) (xviii) N-(1-amino-3-phenyl-1-oxopropan-2-yl)-1-(5-fluoropentyl)-1H-indole-3-carboxamide;
- (~~S~~) (xix) N-(1-amino-3-phenyl-1-oxopropan-2-yl)-1-(5-fluoropentyl)-1H-indazole-3-carboxamide;
- (~~T~~) (xx) methyl 2-(1-(cyclohexylmethyl)-1H-indole-3-carboxamido)-3,3-dimethylbutanoate;

~~(U)~~ (xxi) N-(1-amino-3,3-dimethyl-1-oxobutan-2-yl)-1-(cyclohexylmethyl)-1H-indazole-3-carboxamide (MAB-CHMINACA);

~~(V)~~ (xxii) N-(1-Amino-3,3-dimethyl-1-oxo-2-butanyl)-1-pentyl-1H-indazole-3-carboxamide (ADB-PINACA);

~~(W)~~ (xxiii) methyl (1-(4-fluorobenzyl)-1H-indazole-3-carbonyl)-L-valinate (FUB-AMB);

~~(X)~~ (xxiv) N-[(1S)-2-amino-2-oxo-1-(phenylmethyl)ethyl]-1-(cyclohexylmethyl)-1H-Indazole-3-carboxamide. (APP-CHMINACA);

~~(Y)~~ (xxv) quinolin-8-yl 1-(4-fluorobenzyl)-1H-indole-3-carboxylate (FUB-PB-22); and

~~(Z)~~ (xxvi) methyl N-[1-(cyclohexylmethyl)-1H-indole-3-carbonyl]valinate (MMB-CHMICA).

~~(ix)~~ (9) Additional substances specifically named:

~~(A)~~ (i) 1-(5-fluoropentyl)-N-(2-phenylpropan-2-yl)-1 H-pyrrolo[2,3-B]pyridine-3-carboxamide (5F-CUMYL-P7AICA);

~~(B)~~ (ii) 1-(4-cyanobutyl)-N-(2- phenylpropan-2-yl)-1 H-indazole-3-carboxamide (4-CN-Cumyl-Butinaca);

~~(C)~~ (iii) naphthalen-1-yl-1-(5-fluoropentyl)-1-H-indole-3-carboxylate (NM2201; CBL2201);

~~(D)~~ (iv) N-(1-amino-3-methyl-1-oxobutan-2-yl)-1-(5-fluoropentyl)-1 H-indazole-3-carboxamide (5F-ABPINACA);

~~(E)~~ (v) methyl-2-(1-(cyclohexylmethyl)-1H-indole-3-carboxamido)-3,3-dimethylbutanoate (MDMB CHMICA);

~~(F)~~ (vi) methyl 2-(1-(5-fluoropentyl)-1H-indazole-3-carboxamido)-3,3-dimethylbutanoate (5F-ADB; 5F-MDMB-PINACA); and

~~(G)~~ (vii) N-(1-amino-3,3-dimethyl-1-oxobutan-2-yl)-1-(4-fluorobenzyl) 1H-indazole-3-carboxamide (ADB-FUBINACA).

(i) A controlled substance analog, to the extent that it is implicitly or explicitly intended for human consumption.

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

Sec. 2. Minnesota Statutes 2022, section 152.02, subdivision 4, is amended to read:

Subd. 4. **Schedule III.** (a) Schedule III consists of the substances listed in this subdivision.

(b) Stimulants. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a potential for abuse associated with a stimulant effect on the central nervous system, including its

salts, isomers, and salts of such isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation:

- (1) benzphetamine;
- (2) chlorphentermine;
- (3) clortermine;
- (4) phendimetrazine.

(c) Depressants. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a potential for abuse associated with a depressant effect on the central nervous system:

(1) any compound, mixture, or preparation containing amobarbital, secobarbital, pentobarbital or any salt thereof and one or more other active medicinal ingredients which are not listed in any schedule;

(2) any suppository dosage form containing amobarbital, secobarbital, pentobarbital, or any salt of any of these drugs and approved by the food and drug administration for marketing only as a suppository;

(3) any substance which contains any quantity of a derivative of barbituric acid, or any salt of a derivative of barbituric acid, except those substances which are specifically listed in other schedules;

(4) any drug product containing gamma hydroxybutyric acid, including its salts, isomers, and salts of isomers, for which an application is approved under section 505 of the federal Food, Drug, and Cosmetic Act;

(5) any of the following substances:

- (i) chlorhexadol;
- (ii) ketamine, its salts, isomers and salts of isomers;
- (iii) lysergic acid;
- (iv) lysergic acid amide;
- (v) methyprylon;
- (vi) sulfondiethylmethane;
- (vii) sulfonethylmethane;
- (viii) sulfonmethane;
- (ix) tiletamine and zolazepam and any salt thereof;

(x) embutramide;

(xi) Perampanel [2-(2-oxo-1-phenyl-5-pyridin-2-yl-1,2-Dihydropyridin-3-yl) benzonitrile].

(d) Nalorphine.

(e) Narcotic drugs. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation containing any of the following narcotic drugs, or their salts calculated as the free anhydrous base or alkaloid, in limited quantities as follows:

(1) not more than 1.80 grams of codeine per 100 milliliters or not more than 90 milligrams per dosage unit, with an equal or greater quantity of an isoquinoline alkaloid of opium;

(2) not more than 1.80 grams of codeine per 100 milliliters or not more than 90 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts;

(3) not more than 1.80 grams of dihydrocodeine per 100 milliliters or not more than 90 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts;

(4) not more than 300 milligrams of ethylmorphine per 100 milliliters or not more than 15 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts;

(5) not more than 500 milligrams of opium per 100 milliliters or per 100 grams, or not more than 25 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts;

(6) not more than 50 milligrams of morphine per 100 milliliters or per 100 grams with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

(f) Anabolic steroids, human growth hormone, and chorionic gonadotropin.

(1) Anabolic steroids, for purposes of this subdivision, means any drug or hormonal substance, chemically and pharmacologically related to testosterone, other than estrogens, progestins, corticosteroids, and dehydroepiandrosterone, and includes:

(i) 3[beta],17[beta]-dihydroxy-5[alpha]-androstane;

(ii) 3[alpha],17[beta]-dihydroxy-5[alpha]-androstane;

(iii) androstenedione (5[alpha]-androstan-3,17-dione);

(iv) 1-androstenediol (3[beta],17[beta]-dihydroxy-5[alpha]-androst-1-ene);

(v) 3[alpha],17[beta]-dihydroxy-5[alpha]-androst-1-ene);

(vi) 4-androstenediol (3[beta],17[beta]-dihydroxy-androst-4-ene);

(vii) 5-androstenediol (3[beta],17[beta]-dihydroxy-androst-5-ene);

- (viii) 1-androstenedione (5[alpha]-androst-1-en-3,17-dione);
- (ix) 4-androstenedione (androst-4-en-3,17-dione);
- (x) 5-androstenedione (androst-5-en-3,17-dione);
- (xi) bolasterone (7[alpha],17[alpha]-dimethyl-17[beta]-hydroxyandrost-4-en-3-one);
- (xii) boldenone (17[beta]-hydroxyandrost-1,4-diene-3-one);
- (xiii) boldione (androsta-1,4-diene-3,17-dione);
- (xiv) calusterone (7[beta],17[alpha]-dimethyl-17[beta]-hydroxyandrost-4-en-3-one);
- (xv) clostebol (4-chloro-17[beta]-hydroxyandrost-4-en-3-one);
- (xvi) dehydrochloromethyltestosterone
(4-chloro-17[beta]-hydroxy-17[alpha]-methylandrost-1,4-dien-3-one);
- (xvii) desoxymethyltestosterone (17[alpha]-methyl-5[alpha]-androst-2-en-17[beta]-ol);
- (xviii) [delta]1-dihydrotestosterone- (17[beta]-hydroxy-5[alpha]-androst-1-en-3-one);
- (xix) 4-dihydrotestosterone (17[beta]-hydroxy-androstan-3-one);
- (xx) drostanolone (17[beta]hydroxy-2[alpha]-methyl-5[alpha]-androstan-3-one);
- (xxi) ethylestrenol (17[alpha]-ethyl-17[beta]-hydroxyestr-4-ene);
- (xxii) fluoxymesterone
(9-fluoro-17[alpha]-methyl-11[beta],17[beta]-dihydroxyandrost-4-en-3-one);
- (xxiii) formebolone
(2-formyl-17[alpha]-methyl-11[alpha],17[beta]-dihydroxyandrost-1,4-dien-3-one);
- (xxiv) furazabol
(17[alpha]-methyl-17[beta]-hydroxyandrostan[2,3-c]-furazan)13[beta]-ethyl-17[beta]-hydroxygon-4-en-3-one;
- (xxv) 4-hydroxytestosterone (4,17[beta]-dihydroxyandrost-4-en-3-one);
- (xxvi) 4-hydroxy-19-nortestosterone (4,17[beta]-dihydroxyestr-4-en-3-one);
- (xxvii) mestanolone (17[alpha]-methyl-17[beta]-hydroxy-5[alpha]-androstan-3-one);
- (xxviii) mesterolone (1[alpha]-methyl-17[beta]-hydroxy-5[alpha]-androstan-3-one);
- (xxix) methandienone (17[alpha]-methyl-17[beta]-hydroxyandrost-1,4-dien-3-one);
- (xxx) methandriol (17[alpha]-methyl-3[beta],17[beta]-dihydroxyandrost-5-ene);

- (xxxix) methasterone (2 alpha-17 alpha-dimethyl-5 alpha-androstan-17beta-ol-3-one);
- (xxxii) methenolone (1-methyl-17[beta]-hydroxy-5[alpha]-androst-1-en-3-one);
- (xxxiii) 17[alpha]-methyl-3[beta],17[beta]-dihydroxy-5[alpha]-androstane;
- (xxxiv) 17[alpha]-methyl-3[alpha],17[beta]-dihydroxy-5[alpha]-androstane;
- (xxxv) 17[alpha]-methyl-3[beta],17[beta]-dihydroxyandrost-4-ene;
- (xxxvi) 17[alpha]-methyl-4-hydroxynandrolone
(17[alpha]-methyl-4-hydroxy-17[beta]-hydroxyestr-4-en-3-one);
- (xxxvii) methyldienolone (17[alpha]-methyl-17[beta]-hydroxyestra-4,9(10)-dien-3-one);
- (xxxviii) methyltrienolone (17[alpha]-methyl-17[beta]-hydroxyestra-4,9-11-trien-3-one);
- (xxxix) methyltestosterone (17[alpha]-methyl-17[beta]-hydroxyandrost-4-en-3-one);
- (xl) mibolerone (7[alpha],17[alpha]-dimethyl-17[beta]-hydroxyestr-4-en-3-one);
- (xli) 17[alpha]-methyl-[delta]1-dihydrotestosterone
(17[beta]-hydroxy-17[alpha]-methyl-5[alpha]-androst-1-en-3-one);
- (xlii) nandrolone (17[beta]-hydroxyestr-4-en-3-one);
- (xliii) 19-nor-4-androstenediol (3[beta],17[beta]-dihydroxyestr-4-ene;
- (xliv) 3[alpha],17[beta]-dihydroxyestr-4-ene); 19-nor-5-androstenediol
(3[beta],17[beta]-dihydroxyestr-5-ene;
- (xlv) 3[alpha],17[beta]-dihydroxyestr-5-ene);
- (xlvi) 19-nor-4,9(10)-androstadienedione (estra-4,9(10)-diene-3,17-dione);
- (xlvii) 19-nor-5-androstenedione (estr-5-en-3,17-dione);
- (xlviii) norbolethone (13[beta],17[alpha]-diethyl-17[beta]-hydroxygon-4-en-3-one);
- (xlix) norclostebol (4-chloro-17[beta]-hydroxyestr-4-en-3-one);
- (l) norethandrolone (17[alpha]-ethyl-17[beta]-hydroxyestr-4-en-3-one);
- (li) normethandrolone (17[alpha]-methyl-17[beta]-hydroxyestr-4-en-3-one);
- (lii) oxandrolone (17[alpha]-methyl-17[beta]-hydroxy-2-oxa-5[alpha]-androstan-3-one);
- (liii) oxymesterone (17[alpha]-methyl-4,17[beta]-dihydroxyandrost-4-en-3-one);
- (liv) oxymetholone
(17[alpha]-methyl-2-hydroxymethylene-17[beta]-hydroxy-5[alpha]-androstan-3-one);

- (lv) prostanazol (17 beta-hydroxy-5 alpha-androstano[3,2-C]pyrazole);
- (lvi) stanozolol (17[alpha]-methyl-17[beta]-hydroxy-5[alpha]-androst-2-eno[3,2-c]-pyrazole);
- (lvii) stenbolone (17[beta]-hydroxy-2-methyl-5[alpha]-androst-1-en-3-one);
- (lviii) testolactone (13-hydroxy-3-oxo-13,17-secoandrost-1,4-dien-17-oic acid lactone);
- (lix) testosterone (17[beta]-hydroxyandrost-4-en-3-one);
- (lx) tetrahydrogestrinone (13[beta],17[alpha]-diethyl-17[beta]-hydroxygon-4,9,11-trien-3-one);
- (lxi) trenbolone (17[beta]-hydroxyestr-4,9,11-trien-3-one);
- (lxii) any salt, ester, or ether of a drug or substance described in this paragraph.

Anabolic steroids are not included if they are: (A) expressly intended for administration through implants to cattle or other nonhuman species; and (B) approved by the United States Food and Drug Administration for that use;

(2) Human growth hormones.

(3) Chorionic gonadotropin, except that a product containing chorionic gonadotropin is not included if it is:

- (i) expressly intended for administration to cattle or other nonhuman species; and
- (ii) approved by the United States Food and Drug Administration for that use.

(g) Hallucinogenic substances. Dronabinol (~~synthetic~~ artificial) in sesame oil and encapsulated in a soft gelatin capsule in a United States Food and Drug Administration approved product.

(h) Any material, compound, mixture, or preparation containing the following narcotic drug or its salt: buprenorphine.

(i) Marijuana, tetrahydrocannabinols, and artificial cannabinoids. Unless specifically excepted or unless listed in another schedule, any natural or artificial material, compound, mixture, or preparation that contains any quantity of the following substances, their analogs, isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of the isomers, esters, ethers, or salts is possible:

(1) marijuana;

(2) tetrahydrocannabinols naturally contained in a plant of the genus Cannabis, except that tetrahydrocannabinols do not include any material, compound, mixture, or preparation that qualifies as industrial hemp as defined in section 18K.02, subdivision 3; artificial equivalents of the substances contained in the cannabis plant or in the resinous extractives of the plant; or artificial substances with similar chemical structure and pharmacological activity to those substances contained in the

plant or resinous extract, including but not limited to 1 cis or trans tetrahydrocannabinol, 6 cis or trans tetrahydrocannabinol, and 3,4 cis or trans tetrahydrocannabinol.

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

ARTICLE 9

APPROPRIATIONS

Section 1. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes of this act. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

		<u>APPROPRIATIONS</u>	
		<u>Available for the Year</u>	
		<u>Ending June 30</u>	
		<u>2024</u>	<u>2025</u>
Sec. 2. <u>AGRICULTURE</u>	\$	<u>411,000</u>	<u>411,000</u>
<u>The base for this appropriation is \$338,000 in fiscal year 2026 and each fiscal year thereafter.</u>			
Sec. 3. <u>ATTORNEY GENERAL</u>	\$	<u>-0-</u>	<u>358,000</u>
<u>The base for this appropriation is \$0 in fiscal year 2029.</u>			
Sec. 4. <u>CANNABIS EXPUNGEMENT BOARD</u>	\$	<u>-0-</u>	<u>3,508,000</u>
<u>The base for this appropriation is \$6,206,000 in fiscal year 2026, \$6,195,000 in fiscal years 2027 and 2028, and \$0 in fiscal year 2029 and each fiscal year thereafter.</u>			
Sec. 5. <u>OFFICE OF CANNABIS MANAGEMENT</u>	\$	<u>19,814,000</u>	<u>19,160,000</u>
<u>The base for this appropriation is \$22,587,000 in fiscal year 2026 and \$25,144,000 in fiscal year 2027.</u>			

\$1,000,000 each year is for cannabis industry community renewal grants under Minnesota Statutes, section 342.67. Of these amounts, up to three percent may be used for administrative expenses. The base for these appropriations is \$2,000,000 in fiscal year 2026 and each fiscal year thereafter.

\$1,000,000 each year is for grants issued under Minnesota Statutes, section 342.69, to eligible organizations to help farmers navigate the regulatory structure of the legal cannabis industry and to nonprofit corporations to provide loans to farmers for expansion into the legal cannabis industry. Of these amounts, up to three percent may be used for administrative expenses.

Sec. 6. **COMMERCE** \$ 527,000 \$ 1,093,000

The base for this appropriation is \$1,341,000 in fiscal year 2026 and \$1,520,000 in fiscal year 2027.

\$82,000 each year is to establish appropriate energy standards.

\$445,000 the first year and \$1,011,000 the second year are for scale and packaging inspections. The base for this appropriation is \$1,259,000 in fiscal year 2026 and \$1,438,000 in fiscal year 2027.

Sec. 7. **DISTRICT COURT** \$ \$250,000 \$ \$250,000

For treatment courts.

Sec. 8. **EDUCATION** \$ 2,180,000 \$ 2,120,000

\$2,000,000 each year is for grants to school districts, charter schools, and nonprofit organizations for peer-to-peer education.

Sec. 9. **EMPLOYMENT AND ECONOMIC DEVELOPMENT** \$ 6,000,000 \$ 6,000,000

(a) For the CanStartup, CanNavigate, and CanTrain programs. Any unencumbered balances remaining in the first year do not cancel but are available for the second year.

(b) \$2,000,000 each year is for the CanStartup program established under Minnesota Statutes, section 116J.659.

(c) \$1,000,000 each year is for the CanNavigate program established under Minnesota Statutes, section 116J.6595.

(d) \$3,000,000 each year is for the CanTrain program established under Minnesota Statutes, section 116L.90.

(e) Of these amounts, up to four percent may be used for administrative expenses.

Sec. 10. **HEALTH**

Subdivision 1. <u>Total Appropriation</u>	\$	<u>18,556,000</u>	\$	<u>17,420,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <u>Education Grants for Pregnant or Breastfeeding Individuals</u>		<u>2,000,000</u>		<u>2,000,000</u>
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For grants under Minnesota Statutes, section 144.197.

Subd. 3. <u>Youth Education</u>		<u>4,503,000</u>		<u>4,503,000</u>
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For grants under Minnesota Statutes, section 144.197.

Subd. 4. <u>Local and Tribal Health Departments</u>		<u>9,543,000</u>		<u>9,543,000</u>
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For grants under Minnesota Statutes, section 144.197.

Subd. 5. <u>Cannabis Data Collection and Biennial Reports</u>		<u>493,000</u>		<u>493,000</u>
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For reports under Minnesota Statutes, section 144.196.

<u>Subd. 6. Administration for Expungement Orders</u>	<u>-0-</u>	<u>71,000</u>
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For administration related to orders issued by the Cannabis Expungement Board. The base for this appropriation is \$71,000 in fiscal year 2026, \$71,000 in fiscal year 2027, \$71,000 in fiscal year 2028, \$71,000 in fiscal year 2029, and \$0 in fiscal year 2030.

<u>Subd. 7. Grants to the Minnesota Poison Control System</u>	<u>910,000</u>	<u>810,000</u>
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For grants under Minnesota Statutes, section 145.93.

<u>Subd. 8. Temporary Regulation of Edible Products Extracted from Hemp</u>	<u>1,107,000</u>	<u>-0-</u>
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For temporary regulation under the health enforcement consolidation act of edible products extracted from hemp. This is a onetime appropriation.

<u>Sec. 11. OFFICE OF HIGHER EDUCATION</u>	<u>\$</u>	<u>104,000</u>	<u>\$</u>	<u>9,000</u>
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The base for this appropriation is \$59,000 in fiscal years 2026 and 2027 and \$0 in fiscal year 2028 and each fiscal year thereafter.

<u>Sec. 12. HUMAN SERVICES</u>	<u>\$</u>	<u>5,326,000</u>	<u>\$</u>	<u>5,936,000</u>
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Central Office Administration

For the Office of Inspector General to process additional background studies and for the behavioral health, deaf and hard-of-hearing, and housing division to provide data required under Minnesota Statutes, section 342.04, and the consultation requirements under Minnesota Statutes, section 342.68. The base for this appropriation is \$5,936,000 in fiscal year 2026, \$5,936,000 in fiscal year 2027, \$5,936,000 in fiscal year 2028, and \$1,838,000 in fiscal year 2029 and thereafter.

<u>Sec. 13. LABOR AND INDUSTRY</u>	<u>\$</u>	<u>116,000</u>	<u>\$</u>	<u>123,000</u>
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Sec. 14. <u>NATURAL RESOURCES</u>	<u>\$</u>	<u>338,000</u>	<u>\$</u>	<u>-0-</u>
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Sec. 15. <u>POLLUTION CONTROL AGENCY</u>	<u>\$</u>	<u>140,000</u>	<u>\$</u>	<u>70,000</u>
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Sec. 16. PUBLIC SAFETY

Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>13,987,000</u>	<u>\$</u>	<u>5,654,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <u>Bureau of Criminal Apprehension</u>		<u>6,325,000</u>		<u>3,426,000</u>
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Subd. 3. <u>Office of Traffic Safety</u>		<u>1,485,000</u>		<u>10,000</u>
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These are onetime appropriations.

Subd. 4. <u>Office of Justice Programs</u>		<u>20,000</u>		<u>-0-</u>
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For a grant to Hennepin County to produce the High Intensity Drug Trafficking Area report in article 6, section 61.

Subd. 5. <u>State Patrol</u>		<u>6,157,000</u>		<u>2,218,000</u>
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This appropriation is from the trunk highway fund.

Sec. 17. <u>REVENUE</u>	<u>\$</u>	<u>3,825,000</u>	<u>\$</u>	<u>3,237,000</u>
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The base for this appropriation is \$3,204,000 in fiscal year 2026 and \$3,203,000 in fiscal year 2027.

Sec. 18. <u>SUPREME COURT</u>	<u>\$</u>	<u>545,000</u>	<u>\$</u>	<u>545,000</u>
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These are onetime appropriations.

Sec. 19. <u>UNIVERSITY OF MINNESOTA</u>	<u>\$</u>	<u>2,500,000</u>	<u>\$</u>	<u>2,500,000</u>
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To establish a Center for Cannabis Research within the School of Public Health. The center must investigate the effects of cannabis use on health and research other topics related to cannabis, including but not limited to prevention and treatment of

substance use disorders, equity issues, education, and decriminalization.

Sec. 20. **APPROPRIATION AND BASE REDUCTIONS.**

(a) The commissioner of management and budget must reduce general fund appropriations to the commissioner of corrections by \$165,000 in fiscal year 2024 and \$368,000 in fiscal year 2025. The commissioner must reduce the base for general fund appropriations to the commissioner of corrections by \$460,000 in fiscal year 2026 and \$503,000 in fiscal year 2027.

(b) The commissioner of management and budget must reduce general fund appropriations to the commissioner of health by \$394,000 in fiscal year 2024 and \$781,000 in fiscal year 2025 for the administration of the medical cannabis program.

(c) The commissioner of management and budget must reduce state government special revenue fund appropriations to the commissioner of health by \$1,712,000 in fiscal year 2024 and \$3,424,000 in fiscal year 2025 for administration of the medical cannabis program.

Sec. 21. **TRANSFERS.**

(a) \$1,000,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are transferred from the general fund to the dual training account in the special revenue fund under Minnesota Statutes, section 136A.246, subdivision 10, for grants to employers in the legal cannabis industry. These are onetime transfers. The commissioner shall give priority to applications from employers who are, or who are training employees who are, eligible to be social equity applicants under Minnesota Statutes, section 342.16. After June 30, 2025, any unencumbered balance from this transfer may be used for grants to any eligible employer under Minnesota Statutes, section 136A.246.

(b) \$4,000,000 in fiscal year 2024 and \$4,000,000 in fiscal year 2025 are transferred from the general fund to the substance use treatment, recovery, and prevention grant account established under Minnesota Statutes, section 342.68.

Sec. 22. **APPROPRIATION; DEPARTMENT OF AGRICULTURE.**

\$3,000,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of agriculture for the planning, research, analysis, and other efforts needed to establish the Office of Cannabis Management and transition programs, authorities, and responsibilities contained in Minnesota Statutes, chapter 342, and implementation activities authorized under article 7, section 16. This is a onetime appropriation and is available until June 30, 2025.

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

ARTICLE 10

GRANTS MANAGEMENT

Section 1. **FINANCIAL REVIEW OF GRANT AND BUSINESS SUBSIDY RECIPIENTS.**

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

(b) "Grant" means a grant or business subsidy funded by an appropriation in this act.

(c) "Grantee" means a business entity as defined in Minnesota Statutes, section 5.001.

Subd. 2. **Financial information required; determination of ability to perform.** Before an agency awards a competitive, legislatively named, single-source, or sole-source grant, the agency must assess the risk that a grantee cannot or would not perform the required duties. In making this assessment, the agency must review the following information:

(1) the grantee's history of performing duties similar to those required by the grant, whether the size of the grant requires the grantee to perform services at a significantly increased scale, and whether the size of the grant will require significant changes to the operation of the grantee's organization;

(2) for a grantee that is a nonprofit organization, the grantee's Form 990 or Form 990-EZ filed with the Internal Revenue Service in each of the prior three years. If the grantee has not been in existence long enough or is not required to file Form 990 or Form 990-EZ, the grantee must demonstrate to the grantor's satisfaction that the grantee is exempt and must instead submit the grantee's most recent board-reviewed financial statements and documentation of internal controls;

(3) for a for-profit business, three years of federal and state tax returns, current financial statements, certification that the business is not under bankruptcy proceedings, and disclosure of any liens on its assets. If a business has not been in existence long enough to have three years of tax returns, the grantee must demonstrate to the grantor's satisfaction that the grantee has appropriate internal financial controls;

(4) evidence of registration and good standing with the secretary of state under Minnesota Statutes, chapter 317A, or other applicable law;

(5) if the grantee's total annual revenue exceeds \$750,000, the grantee's most recent financial audit performed by an independent third party in accordance with generally accepted accounting principles; and

(6) certification, provided by the grantee, that none of its principals have been convicted of a financial crime.

Subd. 3. **Additional measures for some grantees.** The agency may require additional information and must provide enhanced oversight for grantees that have not previously received state or federal grants for similar amounts or similar duties and so have not yet demonstrated the ability to perform the duties required under the grant on the scale required.

Subd. 4. **Assistance from administration.** An agency without adequate resources or experience to perform obligations under this section may contract with the commissioner of administration to perform the agency's duties under this section.

Subd. 5. **Agency authority to not award grant.** If an agency determines that there is an appreciable risk that a grantee receiving a competitive, single-source, or sole-source grant cannot or would not perform the required duties under the grant agreement, the agency must notify the grantee and the commissioner of administration and give the grantee an opportunity to respond to the agency's concerns. If the grantee does not satisfy the agency's concerns within 45 days, the agency must not award the grant.

Subd. 6. **Legislatively named grantees.** If an agency determines that there is an appreciable risk that a grantee receiving a legislatively named grant cannot or would not perform the required duties under the grant agreement, the agency must notify the grantee, the commissioner of administration, and the chairs and ranking minority members of the Ways and Means Committee in the house of representatives, the chairs and ranking minority members of the Finance Committee in the senate, and the chairs and ranking minority members of the committees in the house of representatives and the senate with primary jurisdiction over the bill in which the money for the grant was appropriated. The agency must give the grantee an opportunity to respond to the agency's concerns. If the grantee does not satisfy the agency's concerns within 45 days, the agency must delay award of the grant until adjournment of the next regular or special legislative session.

Subd. 7. **Subgrants.** If a grantee will disburse the money received from the grant to other organizations to perform duties required under the grant agreement, the agency must be a party to agreements between the grantee and a subgrantee. Before entering agreements for subgrants, the agency must perform the financial review required under this section with respect to the subgrantees.

Subd. 8. **Effect.** The requirements of this section are in addition to other requirements imposed by law, the commissioner of administration under Minnesota Statutes, sections 16B.97 to 16B.98, or agency grant policy."

Delete the title and insert:

"A bill for an act relating to cannabis; establishing the Office of Cannabis Management; establishing the Cannabis Advisory Council; requiring reports relating to cannabis use and sales; legalizing and limiting the possession and use of cannabis by adults; providing for the licensing, inspection, and regulation of cannabis businesses and hemp businesses; requiring testing of cannabis flower, cannabis products, and hemp products; requiring labeling of cannabis flower, cannabis products, and hemp products; limiting the advertisement of cannabis flower, cannabis products, hemp products, hemp businesses products, and cannabis businesses; providing for the cultivation of cannabis in private residences; transferring regulatory authority for the medical cannabis program; allowing Tribal medical cannabis program manufacturers to distribute medical cannabis to Tribal medical cannabis program patients; providing for transportation of medical cannabis by Tribal medical cannabis manufacturers; taxing the sale of adult-use cannabis; establishing grant and loan programs; amending criminal penalties; prohibiting the use or possession of cannabis flower and cannabis products on a street or highway; establishing expungement procedures for certain individuals; establishing labor standards for the use of cannabis and hemp products by employees and testing of employees; providing for the temporary regulation of certain edible cannabinoid products; providing for professional licensing protections; amending the scheduling of marijuana and tetrahydrocannabinols; classifying data; making miscellaneous cannabis-related and hemp-related

changes and additions; making clarifying and technical changes; appropriating money; amending Minnesota Statutes 2022, sections 13.411, by adding a subdivision; 13.871, by adding a subdivision; 16B.2975, subdivision 8; 18K.02, subdivisions 3, 5; 18K.03, subdivision 2; 34A.01, subdivision 4, by adding a subdivision; 97B.065, subdivision 1; 97B.066, by adding a subdivision; 151.72; 152.01, subdivision 9, by adding subdivisions; 152.02, subdivisions 2, 4; 152.021, subdivision 2; 152.022, subdivisions 1, 2; 152.023, subdivisions 1, 2; 152.024, subdivision 1; 152.025, subdivisions 1, 2; 152.18, subdivision 1; 152.22, by adding subdivisions; 152.29, subdivision 4, by adding a subdivision; 152.30; 152.32; 152.33, subdivision 1; 169A.03, subdivision 6; 175.45, subdivision 1; 181.938, subdivision 2; 181.950, subdivisions 2, 4, 5, 8, 13, by adding a subdivision; 181.951, subdivision 4, by adding subdivisions; 181.952, by adding a subdivision; 181.953; 181.954; 181.955; 181.957, subdivision 1; 192A.555; 245C.08, subdivision 1; 256.01, subdivision 18c; 256B.0625, subdivision 13d; 256D.024, subdivisions 1, 3; 256J.26, subdivisions 1, 3; 270B.12, by adding a subdivision; 273.13, subdivision 24; 275.025, subdivision 2; 290.0132, subdivision 29; 290.0134, subdivision 19; 297A.61, subdivision 3; 297A.67, subdivisions 2, 7; 297A.70, subdivisions 2, 4, 18; 297A.85; 297D.01; 297D.04; 297D.06; 297D.07; 297D.08; 297D.085; 297D.09, subdivision 1a; 297D.10; 297D.11; 340A.402, subdivision 1; 340A.412, subdivision 14; 461.12, by adding a subdivision; 609.135, subdivision 1; 609.2111; 609.5311, subdivision 1; 609.5314, subdivision 1; 609.5316, subdivision 2; 609A.01; 609A.03, subdivisions 5, 9; 609B.425, subdivision 2; 609B.435, subdivision 2; 624.712, by adding subdivisions; 624.713, subdivision 1; 624.714, subdivision 6; 624.7142, subdivision 1; 624.7143, by adding a subdivision; 624.7151; proposing coding for new law in Minnesota Statutes, chapters 3; 116J; 116L; 120B; 144; 152; 169A; 270C; 289A; 295; 340A; 477A; 609A; 624; proposing coding for new law as Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2022, sections 18K.08; 34A.01, subdivision 4; 151.72; 152.027, subdivisions 3, 4; 152.21; 152.22, subdivisions 1, 2, 3, 4, 5, 5a, 5b, 6, 7, 8, 9, 10, 11, 12, 13, 14; 152.23; 152.24; 152.25, subdivisions 1, 1a, 1b, 1c, 2, 3, 4; 152.26; 152.261; 152.27, subdivisions 1, 2, 3, 4, 5, 6, 7; 152.28, subdivisions 1, 2, 3; 152.29, subdivisions 1, 2, 3, 3a, 4; 152.30; 152.31; 152.32, subdivisions 1, 2, 3; 152.33, subdivisions 1, 1a, 2, 3, 4, 5, 6; 152.34; 152.35; 152.36, subdivisions 1, 1a, 2, 3, 4, 5; 152.37; Minnesota Rules, parts 4770.0100; 4770.0200; 4770.0300; 4770.0400; 4770.0500; 4770.0600; 4770.0800; 4770.0900; 4770.1000; 4770.1100; 4770.1200; 4770.1300; 4770.1400; 4770.1460; 4770.1500; 4770.1600; 4770.1700; 4770.1800; 4770.1900; 4770.2000; 4770.2100; 4770.2200; 4770.2300; 4770.2400; 4770.2700; 4770.2800; 4770.4000; 4770.4002; 4770.4003; 4770.4004; 4770.4005; 4770.4007; 4770.4008; 4770.4009; 4770.4010; 4770.4012; 4770.4013; 4770.4014; 4770.4015; 4770.4016; 4770.4017; 4770.4018; 4770.4030."

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

SECOND READING OF HOUSE BILLS

H.F. No. 100 was read the second time.

MEMBERS EXCUSED

Senators Abeler and Johnson were excused from the Session of today from 3:10 to 3:25 p.m.

ADJOURNMENT

Senator Boldon moved that the Senate do now adjourn until 11:00 a.m., Thursday, April 27, 2023. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate

