

SEVENTY-THIRD DAY

St. Paul, Minnesota, Thursday, May 18, 2023

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Pastor John Taplin.

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.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2744, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 2744: A bill for an act relating to commerce; establishing a biennial budget for Department of Commerce; modifying various provisions governing insurance; regulating virtual currency activities; providing for reports relating to retail sales of intermediate blends of gasoline and biofuel; prohibiting excessive price increases by pharmaceutical manufacturers; establishing a Prescription Drug Affordability Board; establishing a student loan advocate position; regulating money transmitters; making technical changes; establishing penalties; authorizing administrative rulemaking; requiring reports; appropriating money; transferring money; amending Minnesota Statutes 2022, sections 46.131, subdivision 11; 60A.14, subdivision 1; 62A.152, subdivision 3; 62D.02, by adding a subdivision; 62D.095, subdivisions 2, 3, 4, 5; 62K.10, subdivision 4; 62Q.19, subdivision 1; 62Q.46, subdivisions 1, 3; 62Q.47; 62Q.81, subdivision 4, by adding a subdivision; 151.071, subdivisions 1, 2; 239.791, subdivision 8; 256B.0631, subdivision 1; 256L.03, subdivision 5; Laws 2022, chapter 93, article 1, section 2, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 53B; 58B; 62J; 62Q; 62W; repealing Minnesota Statutes 2022, sections 53B.01; 53B.02; 53B.03; 53B.04; 53B.05; 53B.06; 53B.07; 53B.08; 53B.09; 53B.10; 53B.11; 53B.12; 53B.13; 53B.14; 53B.15; 53B.16; 53B.17; 53B.18; 53B.19; 53B.20; 53B.21; 53B.22; 53B.23; 53B.24; 53B.25; 53B.26; 53B.27, subdivisions 1, 2, 5, 6, 7.

Senate File No. 2744 is herewith returned to the Senate.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned May 17, 2023

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Mitchell, Kunesh, Boldon, and Frentz introduced--

S.F. No. 3345: A bill for an act relating to environment; banning certain mercury-containing lighting; amending Minnesota Statutes 2022, section 116.92, by adding a subdivision.

Referred to the Committee on Environment, Climate, and Legacy.

Senator Bahr introduced--

S.F. No. 3346: A bill for an act relating to civil liability; prohibiting immunity for government employee torts; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Judiciary and Public Safety.

MOTIONS AND RESOLUTIONS

Senator Mann moved that her name be stricken as chief author, shown as a co-author, and the name of Senator Maye Quade be shown as chief author to S.F. No. 2. The motion prevailed.

RECESS

Senator Dzedzic 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.

APPOINTMENTS

Senator Dzedzic 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. 1384: Senators Murphy, Abeler, and Boldon.

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

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:

S.F. No. 3307.

SPECIAL ORDER

S.F. No. 3307: A bill for an act relating to legislative enactments; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors; amending Laws 2023, chapter 5, sections 1; 2.

S.F. No. 3307 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 57 and nays 5, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Mann, McEwen, Putnam, Rest, and Wiklund.

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senator: Duckworth.

Those who voted in the negative were:

Anderson Green Gruenhagen Lucero Wesenberg

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 Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2 is herewith transmitted to the Senate.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted May 17, 2023

CONFERENCE COMMITTEE REPORT ON H. F. No. 2

A bill for an act relating to employment; creating a family and medical benefit insurance program; requiring leave from employment under certain circumstances; allowing substitution of a private plan; prohibiting retaliation; classifying data; authorizing expedited rulemaking; transferring money; appropriating money; amending Minnesota Statutes 2022, sections 13.719, by adding a subdivision; 62A.01, subdivision 1; 177.27, subdivision 4; 181.032; 256B.0659, subdivision 18; 256B.85, subdivisions 13, 13a; 256J.561, by adding a subdivision; 256J.95, subdivisions 3, 11; 256P.01, subdivision 3; 268.19, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 268B.

May 15, 2023

The Honorable Melissa Hortman
Speaker of the House of Representatives

The Honorable Bobby Joe Champion
President of the Senate

We, the undersigned conferees for H. F. No. 2 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

FAMILY AND MEDICAL BENEFITS

Section 1. Minnesota Statutes 2022, section 13.719, is amended by adding a subdivision to read:

Subd. 7. **Family and medical insurance data.** (a) For the purposes of this subdivision, the terms used have the meanings given them in section 268B.01.

(b) Data on applicants, family members, or employers under chapter 268B are private or nonpublic data, provided that the department may share data collected from applicants with employers or health care providers to the extent necessary to meet the requirements of chapter 268B or other applicable law.

(c) The data classified under paragraph (b) may be exchanged between the department and the Department of Labor and Industry and the Department of Commerce to the extent necessary to meet the requirements of chapter 268B or the Department of Labor and Industry's enforcement authority over chapter 268B, as provided in section 177.27, or to the extent necessary for the Department of Commerce to review or verify compliance for a private plan under section 268B.10.

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

Sec. 2. Minnesota Statutes 2022, section 62A.01, subdivision 1, is amended to read:

Subdivision 1. **Definition.** The term "policy of accident and sickness insurance" as used herein includes any policy covering the kind of insurance described in section 60A.06, subdivision 1, clause (5)(a), or the paid family and medical leave benefits as described in section 268B.10.

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

Sec. 3. Minnesota Statutes 2022, section 177.27, subdivision 4, is amended to read:

Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032, 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.275, subdivision 2a, 181.722, 181.79, ~~and~~ 181.939 to 181.943, 268B.09, subdivisions 1 to 6, and 268B.14, subdivision 3, or with any rule promulgated under section 177.28. The commissioner shall issue an order requiring an employer to comply with sections 177.41 to 177.435 if the violation is repeated. For purposes of this subdivision only, a violation is repeated if at any time during the two years that preceded the date of violation, the commissioner issued an order to the employer for violation of sections 177.41 to 177.435 and the order is final or the commissioner and the employer have entered into a settlement agreement that required the employer to pay back wages that were required by sections 177.41 to 177.435. The

department shall serve the order upon the employer or the employer's authorized representative in person or by certified mail at the employer's place of business. An employer who wishes to contest the order must file written notice of objection to the order with the commissioner within 15 calendar days after being served with the order. A contested case proceeding must then be held in accordance with sections 14.57 to 14.69. If, within 15 calendar days after being served with the order, the employer fails to file a written notice of objection with the commissioner, the order becomes a final order of the commissioner.

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

Sec. 4. Minnesota Statutes 2022, section 181.032, is amended to read:

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

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

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

(1) the name of the employee;

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

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

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

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

(6) a list of deductions made from the employee's pay;

(7) any amount deducted by the employer under section 268B.14, subdivision 3, and the amount paid by the employer based on the employee's wages under section 268B.14, subdivision 1;

~~(7)~~ (8) the net amount of pay after all deductions are made;

~~(8)~~ (9) the date on which the pay period ends;

~~(9)~~ (10) the legal name of the employer and the operating name of the employer if different from the legal name;

~~(10)~~ (11) the physical address of the employer's main office or principal place of business, and a mailing address if different; and

~~(11)~~ (12) the telephone number of the employer.

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

(d) At the start of employment, an employer shall provide each employee a written notice containing the following information:

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

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

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

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

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

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

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

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

(9) the telephone number of the employer.

(e) The employer must keep a copy of the notice under paragraph (d) signed by each employee acknowledging receipt of the notice. The notice must be provided to each employee in English. The English version of the notice must include text provided by the commissioner that informs employees that they may request, by indicating on the form, the notice be provided in a particular language. If requested, the employer shall provide the notice in the language requested by the employee. The commissioner shall make available to employers the text to be included in the English version of the notice required by this section and assist employers with translation of the notice in the languages requested by their employees.

(f) An employer must provide the employee any written changes to the information contained in the notice under paragraph (d) prior to the date the changes take effect.

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

Sec. 5. Minnesota Statutes 2022, section 256B.0659, subdivision 18, is amended to read:

Subd. 18. **Personal care assistance choice option; generally.** (a) The commissioner may allow a recipient of personal care assistance services to use a fiscal intermediary to assist the recipient in paying and accounting for medically necessary covered personal care assistance services. Unless otherwise provided in this section, all other statutory and regulatory provisions relating to personal care assistance services apply to a recipient using the personal care assistance choice option.

(b) Personal care assistance choice is an option of the personal care assistance program that allows the recipient who receives personal care assistance services to be responsible for the hiring, training, scheduling, and firing of personal care assistants according to the terms of the written agreement with the personal care assistance choice agency required under subdivision 20, paragraph (a). This program offers greater control and choice for the recipient in who provides the personal care assistance service and when the service is scheduled. The recipient or the recipient's responsible party must choose a personal care assistance choice provider agency as a fiscal intermediary. This personal care assistance choice provider agency manages payroll, invoices the state, is responsible for all payroll-related taxes and insurance, including premiums for family and medical benefit insurance, and is responsible for providing the consumer training and support in managing the recipient's personal care assistance services.

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

Sec. 6. Minnesota Statutes 2022, section 256B.85, subdivision 13, is amended to read:

Subd. 13. **Budget model.** (a) Under the budget model participants exercise responsibility and control over the services and supports described and budgeted within the CFSS service delivery plan. Participants must use services specified in subdivision 13a provided by an FMS provider. Under this model, participants may use their approved service budget allocation to:

(1) directly employ support workers, and pay wages, federal and state payroll taxes, and premiums for workers' compensation, liability, family and medical benefit insurance, and health insurance coverage; and

(2) obtain supports and goods as defined in subdivision 7.

(b) Participants who are unable to fulfill any of the functions listed in paragraph (a) may authorize a legal representative or participant's representative to do so on their behalf.

(c) If two or more participants using the budget model live in the same household and have the same support worker, the participants must use the same FMS provider.

(d) If the FMS provider advises that there is a joint employer in the budget model, all participants associated with that joint employer must use the same FMS provider.

(e) The commissioner shall disenroll or exclude participants from the budget model and transfer them to the agency-provider model under, but not limited to, the following circumstances:

(1) when a participant has been restricted by the Minnesota restricted recipient program, in which case the participant may be excluded for a specified time period under Minnesota Rules, parts 9505.2160 to 9505.2245;

(2) when a participant exits the budget model during the participant's service plan year. Upon transfer, the participant shall not access the budget model for the remainder of that service plan year; or

(3) when the department determines that the participant or participant's representative or legal representative is unable to fulfill the responsibilities under the budget model, as specified in subdivision 14.

(f) A participant may appeal in writing to the department under section 256.045, subdivision 3, to contest the department's decision under paragraph (e), clause (3), to disenroll or exclude the participant from the budget model.

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

Sec. 7. Minnesota Statutes 2022, section 256B.85, subdivision 13a, is amended to read:

Subd. 13a. **Financial management services.** (a) Services provided by an FMS provider include but are not limited to: filing and payment of federal and state payroll taxes and premiums on behalf of the participant; initiating and complying with background study requirements under chapter 245C and maintaining documentation of background study requests and results; billing for approved CFSS services with authorized funds; monitoring expenditures; accounting for and disbursing CFSS funds; providing assistance in obtaining and filing for liability, workers' compensation, family and medical benefit insurance, and unemployment coverage; and providing participant instruction and technical assistance to the participant in fulfilling employer-related requirements in accordance with section 3504 of the Internal Revenue Code and related regulations and interpretations, including Code of Federal Regulations, title 26, section 31.3504-1.

(b) Agency-provider services shall not be provided by the FMS provider.

(c) The FMS provider shall provide service functions as determined by the commissioner for budget model participants that include but are not limited to:

(1) assistance with the development of the detailed budget for expenditures portion of the CFSS service delivery plan as requested by the consultation services provider or participant;

(2) data recording and reporting of participant spending;

(3) other duties established by the department, including with respect to providing assistance to the participant, participant's representative, or legal representative in performing employer responsibilities regarding support workers. The support worker shall not be considered the employee of the FMS provider; and

(4) billing, payment, and accounting of approved expenditures for goods.

(d) The FMS provider shall obtain an assurance statement from the participant employer agreeing to follow state and federal regulations and CFSS policies regarding employment of support workers.

(e) The FMS provider shall:

(1) not limit or restrict the participant's choice of service or support providers or service delivery models consistent with any applicable state and federal requirements;

(2) provide the participant, consultation services provider, and case manager or care coordinator, if applicable, with a monthly written summary of the spending for services and supports that were billed against the spending budget;

(3) be knowledgeable of state and federal employment regulations, including those under the Fair Labor Standards Act of 1938, and comply with the requirements under chapter 268B and section 3504 of the Internal Revenue Code and related regulations and interpretations, including Code of Federal Regulations, title 26, section 31.3504-1, regarding agency employer tax liability for vendor fiscal/employer agent, and any requirements necessary to process employer and employee deductions, provide appropriate and timely submission of employer tax liabilities, and maintain documentation to support medical assistance claims;

(4) have current and adequate liability insurance and bonding and sufficient cash flow as determined by the commissioner and have on staff or under contract a certified public accountant or an individual with a baccalaureate degree in accounting;

(5) assume fiscal accountability for state funds designated for the program and be held liable for any overpayments or violations of applicable statutes or rules, including but not limited to the Minnesota False Claims Act, chapter 15C;

(6) maintain documentation of receipts, invoices, and bills to track all services and supports expenditures for any goods purchased and maintain time records of support workers. The documentation and time records must be maintained for a minimum of five years from the claim date and be available for audit or review upon request by the commissioner. Claims submitted by the FMS provider to the commissioner for payment must correspond with services, amounts, and time periods as authorized in the participant's service budget and service plan and must contain specific identifying information as determined by the commissioner; and

(7) provide written notice to the participant or the participant's representative at least 30 calendar days before a proposed service termination becomes effective.

(f) The commissioner shall:

(1) establish rates and payment methodology for the FMS provider;

(2) identify a process to ensure quality and performance standards for the FMS provider and ensure statewide access to FMS providers; and

(3) establish a uniform protocol for delivering and administering CFSS services to be used by eligible FMS providers.

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

Sec. 8. Minnesota Statutes 2022, section 268.19, subdivision 1, is amended to read:

Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from any person under the administration of the Minnesota Unemployment Insurance Law are private data

on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, and may not be disclosed except according to a district court order or section 13.05. A subpoena is not considered a district court order. These data may be disseminated to and used by the following agencies without the consent of the subject of the data:

- (1) state and federal agencies specifically authorized access to the data by state or federal law;
- (2) any agency of any other state or any federal agency charged with the administration of an unemployment insurance program;
- (3) any agency responsible for the maintenance of a system of public employment offices for the purpose of assisting individuals in obtaining employment;
- (4) the public authority responsible for child support in Minnesota or any other state in accordance with section 256.978;
- (5) human rights agencies within Minnesota that have enforcement powers;
- (6) the Department of Revenue to the extent necessary for its duties under Minnesota laws;
- (7) public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;
- (8) the Department of Labor and Industry and the Commerce Fraud Bureau in the Department of Commerce for uses consistent with the administration of their duties under Minnesota law;
- (9) the Department of Human Services and the Office of Inspector General and its agents within the Department of Human Services, including county fraud investigators, for investigations related to recipient or provider fraud and employees of providers when the provider is suspected of committing public assistance fraud;
- (10) local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, or for any employment or training program administered by those agencies, whether alone, in combination with another welfare agency, or in conjunction with the department or to monitor and evaluate the statewide Minnesota family investment program and other cash assistance programs, the Supplemental Nutrition Assistance Program, and the Supplemental Nutrition Assistance Program Employment and Training program by providing data on recipients and former recipients of Supplemental Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B or 256L or formerly codified under chapter 256D;
- (11) local and state welfare agencies for the purpose of identifying employment, wages, and other information to assist in the collection of an overpayment debt in an assistance program;
- (12) local, state, and federal law enforcement agencies for the purpose of ascertaining the last known address and employment location of an individual who is the subject of a criminal investigation;

(13) the United States Immigration and Customs Enforcement has access to data on specific individuals and specific employers provided the specific individual or specific employer is the subject of an investigation by that agency;

(14) the Department of Health for the purposes of epidemiologic investigations;

(15) the Department of Corrections for the purposes of case planning and internal research for preprobation, probation, and postprobation employment tracking of offenders sentenced to probation and preconfinement and postconfinement employment tracking of committed offenders;

(16) the state auditor to the extent necessary to conduct audits of job opportunity building zones as required under section 469.3201; ~~and~~

(17) the Office of Higher Education for purposes of supporting program improvement, system evaluation, and research initiatives including the Statewide Longitudinal Education Data System; and

(18) the Family and Medical Benefits Division of the Department of Employment and Economic Development to be used as necessary to administer chapter 268B.

(b) Data on individuals and employers that are collected, maintained, or used by the department in an investigation under section 268.182 are confidential as to data on individuals and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3 and 13, and must not be disclosed except under statute or district court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

(c) Data gathered by the department in the administration of the Minnesota unemployment insurance program must not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

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

Sec. 9. **[268B.01] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of this chapter, the terms defined in this section have the meanings given.

Subd. 2. **Active duty.** "Active duty" has the meaning given in United States Code, title 29, section 2611(14), and includes domestic deployment.

Subd. 3. **Applicant.** "Applicant" means an individual applying for leave with benefits under this chapter.

Subd. 4. **Applicant's average weekly wage.** "Applicant's average weekly wage" means an amount equal to the applicant's high quarter wage credits divided by 13.

Subd. 5. **Base period.** (a) "Base period," unless otherwise provided in this subdivision, means the most recent four completed calendar quarters before the effective date of an applicant's application for family or medical leave benefits if the application has an effective date occurring after the month

following the most recent completed calendar quarter. The base period under this paragraph is as follows:

<u>If the application for family or medical leave benefits is effective on or between these dates:</u>	<u>The base period is the prior:</u>
<u>February 1 to March 31</u>	<u>January 1 to December 31</u>
<u>May 1 to June 30</u>	<u>April 1 to March 31</u>
<u>August 1 to September 30</u>	<u>July 1 to June 30</u>
<u>November 1 to December 31</u>	<u>October 1 to September 30</u>

(b) If an application for family or medical leave benefits has an effective date that is during the month following the most recent completed calendar quarter, then the base period is the first four of the most recent five completed calendar quarters before the effective date of an applicant's application for family or medical leave benefits. The base period under this paragraph is as follows:

<u>If the application for family or medical leave benefits is effective on or between these dates:</u>	<u>The base period is the prior:</u>
<u>January 1 to January 31</u>	<u>October 1 to September 30</u>
<u>April 1 to April 30</u>	<u>January 1 to December 31</u>
<u>July 1 to July 31</u>	<u>April 1 to March 31</u>
<u>October 1 to October 31</u>	<u>July 1 to June 30</u>

(c) Regardless of paragraph (a), a base period of the first four of the most recent five completed calendar quarters must be used if the applicant would have more wage credits under that base period than under a base period of the four most recent completed calendar quarters.

(d) If the applicant has insufficient wage credits to establish a benefit account under a base period of the four most recent completed calendar quarters, or a base period of the first four of the most recent five completed calendar quarters, but during either base period the applicant received workers' compensation for temporary disability under chapter 176 or a similar federal law or similar law of another state, or if the applicant whose own serious illness caused a loss of work for which the applicant received compensation for loss of wages from some other source, the applicant may request a base period as follows:

(1) if an applicant was compensated for a loss of work of seven to 13 weeks during a base period referred to in paragraph (a) or (b), then the base period is the first four of the most recent six completed calendar quarters before the effective date of the application for family or medical leave benefits;

(2) if an applicant was compensated for a loss of work of 14 to 26 weeks during a base period referred to in paragraph (a) or (b), then the base period is the first four of the most recent seven completed calendar quarters before the effective date of the application for family or medical leave benefits;

(3) if an applicant was compensated for a loss of work of 27 to 39 weeks during a base period referred to in paragraph (a) or (b), then the base period is the first four of the most recent eight completed calendar quarters before the effective date of the application for family or medical leave benefits; and

(4) if an applicant was compensated for a loss of work of 40 to 52 weeks during a base period referred to in paragraph (a) or (b), then the base period is the first four of the most recent nine completed calendar quarters before the effective date of the application for family or medical leave benefits.

(e) For an applicant under a private plan as provided in section 268B.10, the base period is those most recent four quarters in which wage credits were earned with the current employer as provided by the current employer. If an employer does not have four quarters of wage detail information, the employer must accept an employee's certification of wage credits, based on the employee's records. If the employee does not provide certification of additional wage credits, the employer may use a base period that consists of all available quarters.

Subd. 6. **Benefit.** "Benefit" or "benefits" means monetary payments under this chapter associated with qualifying bonding, family care, medical care related to pregnancy, serious health condition, qualifying exigency, or safety leave events, unless otherwise indicated by context.

Subd. 7. **Benefit account.** "Benefit account" means a benefit account established under section 268B.04.

Subd. 8. **Benefit year.** (a) Except as provided in paragraph (b), "benefit year" means the period of 52 calendar weeks beginning the date a benefit account under section 268B.04 is effective. For a benefit account established effective any January 1, April 1, July 1, or October 1, the benefit year will be a period of 53 calendar weeks.

(b) For a private plan under section 268B.10, "benefit year" means:

(1) a calendar year;

(2) any fixed 12-month period, such as a fiscal year or a 12-month period measured forward from an employee's first date of employment;

(3) a 12-month period measured forward from an employee's first day of leave taken; or

(4) a rolling 12-month period measured backward from an employee's first day of leave taken.

Employers are required to notify employees of their benefit year within 30 days of the private plan approval and first day of employment.

Subd. 9. **Bonding.** "Bonding" means time spent by an applicant who is a biological, adoptive, or foster parent with a biological, adopted, or foster child in conjunction with the child's birth, adoption, or placement.

Subd. 10. **Calendar day.** "Calendar day" or "day" means a fixed 24-hour period corresponding to a single calendar date.

Subd. 11. **Calendar quarter.** "Calendar quarter" means the period of three consecutive calendar months ending on March 31, June 30, September 30, or December 31.

Subd. 12. **Calendar week.** "Calendar week" has the same meaning as "week" under subdivision 49.

Subd. 13. **Commissioner.** "Commissioner" means the commissioner of employment and economic development, unless otherwise indicated by context.

Subd. 14. **Construction industry.** "Construction industry" means any construction, reconstruction, building erection, alteration, remodel, repair, renovation, rehabilitation, excavation, or demolition of any building, structure, facility utility, power plant, sewer, dam, highway, road, street, airport, bridge, or other improvement.

Subd. 15. **Covered employment.** (a) "Covered employment" means performing services of whatever nature, unlimited by the relationship of master and servant as known to the common law, or any other legal relationship performed for wages or under any contract calling for the performance of services, written or oral, express or implied.

(b) For the purposes of this chapter, covered employment means an employee's entire employment during a calendar year if:

(1) 50 percent or more of the employment during the calendar year is performed in Minnesota;

(2) 50 percent or more of the employment during the calendar year is not performed in Minnesota or any other state, or Canada, but some of the employment is performed in Minnesota and the employee's residence is in Minnesota during 50 percent or more of the calendar year; or

(3) 50 percent or more of the employment during the calendar year is not performed in Minnesota or any other state, or Canada, but the place from where the employee's employment is controlled and directed is based in Minnesota.

(c) "Covered employment" does not include:

(1) a self-employed individual;

(2) an independent contractor; or

(3) employment by a seasonal employee, as defined in subdivision 35.

Subd. 16. **Department.** "Department" means the Department of Employment and Economic Development, unless otherwise indicated by context.

Subd. 17. **Employee.** (a) "Employee" means an individual who performs services of whatever nature for an employer.

(b) Employee does not include employees of the United States of America, self-employed individuals, or independent contractors.

(c) Employee does not include seasonal employees as defined in subdivision 35.

Subd. 18. **Employer.** (a) "Employer" means:

(1) any person, type of organization, or entity, including any partnership, association, trust, estate, joint stock company, insurance company, limited liability company, or corporation, whether

domestic or foreign, or the receiver, trustee in bankruptcy, trustee, or the legal representative of a deceased person, having any individual in covered employment;

(2) the state, state agencies, Minnesota State Colleges and Universities, University of Minnesota, and other statewide public systems;

(3) any municipality or local government entity, including but not limited to a county, city, town, school district, Metropolitan Council, Metropolitan Airports Commission, housing and redevelopment authority, port authority, economic development authority, sports facilities authority, board or commission, joint powers board or organization created under section 471.59, destination medical center corporation, municipal corporation, quasimunicipal corporation, or other political subdivision. An employer also includes charter schools; and

(4) the taxpaying employer as described in section 268.046, subdivision 1.

(b) Employer does not include:

(1) the United States of America; or

(2) a self-employed individual who has elected and been approved for coverage under section 268B.11 with regard to the self-employed individual's own coverage and benefits.

Subd. 19. **Estimated self-employment income.** "Estimated self-employment income" means a self-employed individual's net earnings from self-employment in the most recent taxable year.

Subd. 20. **Family and medical benefit insurance account.** "Family and medical benefit insurance account" means the family and medical benefit insurance account in the special revenue fund in the state treasury under section 268B.02.

Subd. 21. **Family benefit program.** "Family benefit program" means the program administered under this chapter for the collection of premiums and payment of benefits related to family care, bonding, safety leave, and leave related to a qualifying exigency.

Subd. 22. **Family care.** "Family care" means an applicant caring for a family member with a serious health condition or caring for a family member who is a military member.

Subd. 23. **Family member.** (a) "Family member" means, with respect to an applicant:

(1) a spouse or domestic partner;

(2) a child, including a biological, adopted, or foster child, a stepchild, or a child to whom the applicant stands in loco parentis, is a legal guardian, or is a de facto parent;

(3) a parent or legal guardian of the applicant;

(4) a sibling;

(5) a grandchild;

(6) a grandparent or spouse's grandparent;

(7) a son-in-law or daughter-in-law; and

(8) an individual who has a relationship with the applicant that creates an expectation and reliance that the applicant care for the individual, whether or not the applicant and the individual reside together.

(b) For the purposes of this chapter, "grandchild" means a child of the applicant's child.

(c) For the purposes of this chapter, "grandparent" means a parent of the applicant's parent.

(d) For the purposes of this chapter, "parent" means the biological, adoptive, de facto, or foster parent, stepparent, or legal guardian of an applicant or the applicant's spouse, or an individual who stood in loco parentis to an applicant when the applicant was a child.

Subd. 24. **Health care provider.** "Health care provider" means:

(1) an individual who is licensed, certified, or otherwise authorized under law to practice in the individual's scope of practice as a physician; physician assistant; podiatrist; osteopath; surgeon; advanced practice registered nurse; an alcohol and drug counselor as defined in section 148F.01, subdivision 5; or a mental health professional as defined in section 245I.02, subdivision 27; or

(2) any other individual determined by the commissioner by rule, in accordance with the rulemaking procedures in the Administrative Procedure Act, to be capable of providing health care services.

Subd. 25. **High quarter.** "High quarter" means the calendar quarter in an applicant's base period with the highest amount of wage credits.

Subd. 26. **Incapacity.** "Incapacity" means inability to perform regular work, attend school, or perform regular daily activities due to a serious health condition, treatment therefore, or recovery therefrom.

Subd. 27. **Independent contractor.** If there is an existing specific test or definition for independent contractor in Minnesota statute or rule applicable to an occupation or sector as of the date of enactment of this chapter, that test or definition shall apply to that occupation or sector for purposes of this chapter. If there is not an existing test or definition as described, the definition for independent contractor shall be as provided in Minnesota Rules, part 5200.0221.

Subd. 28. **Inpatient care.** "Inpatient care" means an overnight stay in a hospital, hospice, or residential medical care facility, including any period of incapacity, or any subsequent treatment in connection with such inpatient care.

Subd. 29. **Maximum weekly benefit amount.** "Maximum weekly benefit amount" means the state's average weekly wage as calculated under section 268.035, subdivision 23.

Subd. 30. **Medical benefit program.** "Medical benefit program" means the program administered under this chapter for the collection of premiums and payment of benefits related to an applicant's serious health condition or medical care related to pregnancy.

Subd. 31. **Medical care related to pregnancy.** "Medical care related to pregnancy" includes prenatal care or incapacity due to pregnancy or recovery from childbirth, stillbirth, miscarriage, or related health conditions.

Subd. 32. **Net earnings from self-employment.** "Net earnings from self-employment" has the meaning given in section 1402 of the Internal Revenue Code, as defined in section 290.01, subdivision 31.

Subd. 33. **Qualifying exigency.** (a) "Qualifying exigency" means a need arising out of a military member's active duty service or notice of an impending call or order to active duty in the United States armed forces, including providing for the care or other needs of the family member's child or other dependent, making financial or legal arrangements for the family member, attending counseling, attending military events or ceremonies, spending time with the family member during a rest and recuperation leave or following return from deployment, or making arrangements following the death of the military member.

(b) For the purposes of this chapter, a "military member" means a current or former member of the United States armed forces, including a member of the National Guard or reserves, who, except for a deceased military member, is a resident of the state and is a family member of the applicant taking leave related to the qualifying exigency.

Subd. 34. **Safety leave.** "Safety leave" means leave from work because of domestic abuse, sexual assault, or stalking of the applicant or applicant's family member, provided the leave is to:

(1) seek medical attention related to the physical or psychological injury or disability caused by domestic abuse, sexual assault, or stalking;

(2) obtain services from a victim services organization;

(3) obtain psychological or other counseling;

(4) seek relocation due to the domestic abuse, sexual assault, or stalking; or

(5) seek legal advice or take legal action, including preparing for or participating in any civil or criminal legal proceeding related to, or resulting from, the domestic abuse, sexual assault, or stalking.

Subd. 35. **Seasonal employee.** (a) A seasonal employee is an individual who is employed for no more than 150 days during any consecutive 52-week period in hospitality by an employer whose average receipts during any six months of the preceding calendar year were not more than 33 percent of its average receipts for the other six months of such year.

(b) For the purposes of this section, "hospitality" has the meaning given under the collective definitions in section 157.15, subdivisions 4 to 9 and 11 to 14.

(c) For an individual to be classified as a seasonal employee, an employer must apply to the department in a format and manner prescribed by the commissioner and certify that:

(1) the employee meets or will meet the 150-day maximum employment duration under this subdivision;

(2) the employee's primary line of work is hospitality;

(3) the employer meets the receipts threshold under this subdivision; and

(4) the employer has provided the required employee notice required under section 268B.26.

(d) An employer must notify the department, in a format and manner prescribed by the commissioner, within five business days if a previously classified seasonal employee no longer meets the criteria above and is no longer a seasonal employee.

Subd. 36. **Self-employed individual.** "Self-employed individual" means a resident of the state who, in one taxable year preceding the current calendar year, derived at least 5.3 percent of the state's average annual wage in net earnings from self-employment.

Subd. 37. **Self-employment premium base.** "Self-employment premium base" means the lesser of:

(1) a self-employed individual's estimated self-employment income for the calendar year plus the individual's self-employment wages in the calendar year; or

(2) the maximum earnings subject to the FICA Old-Age, Survivors, and Disability Insurance tax in the taxable year.

Subd. 38. **Self-employment wages.** "Self-employment wages" means the amount of wages that a self-employed individual earned in the calendar year from an entity from which the individual also received net earnings from self-employment.

Subd. 39. **Serious health condition.** (a) "Serious health condition" means a physical or mental illness, injury, impairment, condition, or substance use disorder that involves:

(1) inpatient care in a hospital, hospice, or residential medical care facility, including any period of incapacity; or

(2) continuing treatment or supervision by a health care provider which includes any one or more of the following:

(i) a period of incapacity of seven or more days, and any subsequent treatment or period of incapacity relating to the same condition, that also involves:

(A) treatment two or more times, within 30 days of the first day of incapacity, unless extenuating circumstances beyond the individual's control prevent a follow-up visit from occurring as planned, by a health care provider or by a provider of health care services under orders of, or on referral by, a health care provider; or

(B) treatment by a health care provider on at least one occasion that results in a regimen of continuing treatment under the supervision of the health care provider;

(ii) a period of incapacity due to medical care related to pregnancy;

(iii) a period of incapacity or treatment for a chronic health condition that:

(A) requires periodic visits, defined as at least twice a year, for treatment by a health care provider or under orders of, or on referral by, a health care provider;

(B) continues over an extended period of time, including recurring episodes of a single underlying condition; and

(C) may cause episodic rather than continuing periods of incapacity;

(iv) a period of incapacity which is permanent or long term due to a condition for which treatment may not be effective. The applicant or family member must be under the continuing supervision of, but need not be receiving active treatment by, a health care provider; or

(v) a period of absence to receive multiple treatments, including any period of recovery from the treatments, by a health care provider or by a provider of health care services under orders of, or on referral by, a health care provider, for:

(A) restorative surgery after an accident or other injury; or

(B) a condition that would likely result in a period of incapacity of more than seven full calendar days in the absence of medical intervention or treatment.

(b) For the purposes of paragraph (a), clauses (1) and (2), treatment by a health care provider means an in-person visit or telemedicine visit with a health care provider, or by a provider of health care services under orders of, or on referral by, a health care provider.

(c) For the purposes of paragraph (a), treatment includes but is not limited to examinations to determine if a serious health condition exists and evaluations of the condition.

(d) Absences attributable to incapacity under paragraph (a), clause (2), item (ii) or (iii), qualify for leave under this chapter even if the applicant or the family member does not receive treatment from a health care provider during the absence, and even if the absence does not last more than seven consecutive, full calendar days.

Subd. 40. **State's average weekly wage.** "State's average weekly wage" means the weekly wage calculated under section 268.035, subdivision 23.

Subd. 41. **Supplemental benefit payment.** (a) "Supplemental benefit payment" means:

(1) a payment made by an employer to an employee as salary continuation or as paid time off. Such a payment must be in addition to any family or medical leave benefits the employee is receiving under this chapter; and

(2) a payment offered by an employer to an employee who is taking leave under this chapter to supplement the family or medical leave benefits the employee is receiving.

(b) Employers may, but are not required to, designate certain benefits including but not limited to salary continuation, vacation leave, sick leave, or other paid time off as a supplemental benefit payment.

(c) Nothing in this chapter requires an employee to receive supplemental benefit payments.

(d) At no time shall a supplemental benefit payment combined with any leave benefit received under this chapter exceed the regular wage or salary of the applicant.

Subd. 42. **Taxable year.** "Taxable year" has the meaning given in section 290.01, subdivision 9.

Subd. 43. **Taxable wages.** "Taxable wages" means those wages paid to an employee in covered employment each calendar year up to an amount equal to the maximum wages subject to premium in a calendar year, which is equal to the maximum earnings in that year subject to the FICA Old-Age, Survivors, and Disability Insurance tax rounded to the nearest \$1,000.

Subd. 44. **Typical workweek.** "Typical workweek" means:

(1) for an hourly employee, the average number of hours worked per week by an employee within the high quarter during the base year; or

(2) 40 hours for a salaried employee, regardless of the number of hours the salaried employee typically works.

Subd. 45. **Wage credits.** "Wage credits" means the amount of wages paid within an applicant's base period for covered employment, as defined in subdivision 15.

Subd. 46. **Wage detail report.** "Wage detail report" means the report on each employee and all seasonal employees in covered employment required from an employer on a calendar quarter basis under section 268B.12.

Subd. 47. **Wages.** "Wages" has the meaning given in section 268.035, subdivision 29.

Subd. 48. **Wages paid.** (a) "Wages paid" means the amount of wages:

(1) that have been actually paid; or

(2) that have been credited to or set apart so that payment and disposition is under the control of the employee.

(b) Wage payments delayed beyond the regularly scheduled pay date are wages paid on the missed pay date. Back pay is wages paid on the date of actual payment. Any wages earned but not paid with no scheduled date of payment are wages paid on the last day of employment.

(c) Wages paid does not include wages earned but not paid except as provided for in this subdivision.

Subd. 49. **Week.** "Week" means calendar week ending at midnight Saturday.

Subd. 50. **Weekly benefit amount.** "Weekly benefit amount" means the amount of family and medical leave benefits computed under section 268B.04.

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

Sec. 10. **[268B.02] FAMILY AND MEDICAL BENEFIT INSURANCE PROGRAM CREATION.**

Subdivision 1. **Creation.** A family and medical benefit insurance program is created to be administered by the commissioner according to the terms of this chapter.

Subd. 2. **Creation of division.** A Family and Medical Benefit Insurance Division is created within the department under the authority of the commissioner. The commissioner shall appoint a director of the division. The division shall administer and operate the benefit program under this chapter.

Subd. 3. **Rulemaking.** The commissioner shall adopt rules to implement the provisions of this chapter. For the purposes of this chapter, the commissioner may use the expedited rulemaking process under section 14.389.

Subd. 4. **Account creation; appropriation.** The family and medical benefit insurance account is created in the special revenue fund in the state treasury. Unless otherwise appropriated, money in this account is appropriated to the commissioner to pay benefits under and to administer this chapter, including outreach required under section 268B.18. Appropriations and transfers to the account are credited to the account. Earnings, such as interest, dividends, and any other earnings arising from assets of the account, are credited to the account. Money remaining in the account at the end of a fiscal year is not canceled to the general fund but remains in the account until expended.

Subd. 5. **Information technology services and equipment.** The department is exempt from the provisions of section 16E.016 for the purposes of this chapter.

Subd. 6. **Procurement.** For purposes of administering this chapter, until July 1, 2026, the department is exempt from the requirements of section 16A.15, subdivision 3; 16C.06; 16C.08 to 16C.09; and any other applicable state procurement laws and procedures.

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

Sec. 11. **[268B.03] PAYMENT OF BENEFITS.**

Subdivision 1. **Requirements.** The commissioner must pay benefits from the family and medical benefit insurance account as provided under this chapter to an applicant who has met each of the following requirements:

(1) the applicant has filed an application for benefits and established a benefit account in accordance with section 268B.04;

(2) the applicant has met all of the ongoing eligibility requirements under section 268B.06;

(3) the applicant does not have an outstanding overpayment of family or medical leave benefits due to misrepresentation, including any penalties or interest;

(4) the applicant has not been held ineligible for benefits under section 268B.07, subdivision 2; and

(5) the applicant is not employed exclusively by a private plan employer and has wage credits during the base year attributable to employers covered under the state family and medical leave program.

Subd. 2. **Benefits paid from state funds.** Benefits are paid from state funds and are not considered paid from any special insurance plan, nor as paid by an employer. An application for family or medical leave benefits is not considered a claim against an employer but is considered a request for benefits from the family and medical benefit insurance account. The commissioner has the responsibility for the proper payment of benefits regardless of the level of interest or participation by an applicant or an employer in any determination or appeal. An applicant's entitlement to benefits must be determined based upon that information available without regard to a burden of proof. Any agreement between an applicant and an employer is not binding on the commissioner in determining an applicant's entitlement. There is no presumption of entitlement or nonentitlement to benefits.

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

Sec. 12. **[268B.04] BENEFIT ACCOUNT; BENEFITS.**

Subdivision 1. **Application for benefits; determination of benefit account.** (a) An application for benefits may be filed up to 60 days before leave taken under chapter 268B in person, by mail, or by electronic transmission as the commissioner may require. The applicant must include certification supporting a request for leave under this chapter. The applicant must meet eligibility requirements and must provide all requested information in the manner required. If the applicant fails to provide all requested information, the communication is not an application for family and medical leave benefits.

(b) The commissioner must examine each application for benefits to determine the base period and the benefit year, and based upon all the covered employment in the base period the commissioner must determine the weekly benefit amount available, if any, and the maximum amount of benefits available, if any. The determination, which is a document separate and distinct from a document titled a determination of eligibility or determination of ineligibility, must be titled determination of benefit account. A determination of benefit account must be sent to the applicant and all base period employers, by mail or electronic transmission.

(c) If a base period employer did not provide wage detail information for the applicant as required under section 268B.12, the commissioner may accept an applicant certification of wage credits, based upon the applicant's records, and issue a determination of benefit account.

(d) The commissioner may, at any time within 12 months from the establishment of a benefit account, reconsider any determination of benefit account and make an amended determination if the commissioner finds that the wage credits listed in the determination were incorrect for any reason. An amended determination of benefit account must be promptly sent to the applicant and all base period employers, by mail or electronic transmission. This paragraph does not apply to documents titled determinations of eligibility or determinations of ineligibility issued.

(e) If an amended determination of benefit account reduces the weekly benefit amount or maximum amount of benefits available, any benefits that have been paid greater than the applicant was entitled is an overpayment of benefits. A determination or amended determination issued under

this section that results in an overpayment of benefits must set out the amount of the overpayment and the requirement that the overpaid benefits must be repaid according to section 268B.185.

Subd. 2. **Benefit account requirements.** To establish a benefit account, an applicant must have wage credits of at least 5.3 percent of the state's average annual wage rounded down to the next lower \$100.

Subd. 3. **Weekly benefit amount; maximum amount of benefits available; prorated amount.** (a) Subject to the maximum weekly benefit amount, an applicant's weekly benefit is calculated by adding the amounts obtained by applying the following percentage to an applicant's average typical workweek and weekly wage during the high quarter of the base period:

(1) 90 percent of wages that do not exceed 50 percent of the state's average weekly wage; plus

(2) 66 percent of wages that exceed 50 percent of the state's average weekly wage but not 100 percent; plus

(3) 55 percent of wages that exceed 100 percent of the state's average weekly wage.

(b) The state's average weekly wage is the average wage as calculated under section 268.035, subdivision 23, at the time a benefit amount is first determined.

(c) The maximum weekly benefit amount is the state's average weekly wage as calculated under section 268.035, subdivision 23.

(d) The state's maximum weekly benefit amount, computed in accordance with section 268.035, subdivision 23, applies to a benefit account established effective on or after the last Sunday in October. Once established, an applicant's weekly benefit amount is not affected by the last Sunday in October change in the state's maximum weekly benefit amount.

(e) For an employee receiving family or medical leave, a weekly benefit amount is prorated when:

(1) the employee works hours for wages;

(2) the employee uses paid sick leave, paid vacation leave, or other paid time off that is not considered a supplemental benefit payment as defined in section 268B.01, subdivision 41; or

(3) leave is taken intermittently.

Subd. 4. **Timing of payment.** Except as otherwise provided for in this chapter, benefits must be paid weekly.

Subd. 5. **Maximum length of benefits.** (a) The total number of weeks that an applicant may take benefits in a single benefit year for a serious health condition is the lesser of 12 weeks, or 12 weeks minus the number of weeks within the same benefit year that the applicant received benefits for bonding, safety leave, family care, or qualifying exigency plus eight weeks.

(b) The total number of weeks that an applicant may take benefits in a single benefit year for bonding, safety leave, family care, or qualifying exigency is the lesser of 12 weeks, or 12 weeks

minus the number of weeks within the same benefit year that the applicant received benefits for a serious health condition plus eight weeks.

Subd. 6. **Minimum period for which benefits payable.** Except for a claim for benefits for bonding leave, any claim for benefits must be based on a single qualifying event of at least seven calendar days. The minimum duration to receive benefits under this chapter is one work day in a work week.

Subd. 7. **Right of appeal.** (a) A determination or amended determination of benefit account is final unless an appeal is filed by the applicant within 60 calendar days after the sending of the determination or amended determination.

(b) Any applicant may appeal from a determination or amended determination of benefit account on the issue of whether services performed constitute employment, whether the employment is covered employment, and whether money paid constitutes wages.

Subd. 8. **Limitations on applications and benefit accounts.** An application for family or medical leave benefits is effective the Sunday of the calendar week that the application was filed. An application for benefits may be backdated one calendar week before the Sunday of the week the application was actually filed if the applicant requests the backdating within seven calendar days of the date the application is filed. An application may be backdated only if the applicant was eligible for the benefit during the period of the backdating. If an individual attempted to file an application for benefits, but was prevented from filing an application by the department, the application is effective the Sunday of the calendar week the individual first attempted to file an application.

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

Sec. 13. **[268B.05] NOTIFICATION OF CHANGED CIRCUMSTANCES.**

An applicant shall promptly notify the department of changes that may affect eligibility under section 268B.06.

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

Sec. 14. **[268B.06] ELIGIBILITY REQUIREMENTS; PAYMENTS THAT AFFECT BENEFITS.**

Subdivision 1. **Eligibility conditions.** (a) An applicant may be eligible to receive family or medical leave benefits for any week if:

(1) the week for which benefits are requested is in the applicant's benefit year;

(2) the applicant was unable to perform regular work due to a serious health condition, a qualifying exigency, safety leave, family care, bonding, or medical care related to pregnancy. For bonding leave, eligibility ends 12 months after birth or placement;

(3) the applicant has sufficient wage credits from an employer or employers as defined in section 268B.01, subdivision 45, to establish a benefit account under section 268B.04; and

(4) an applicant requesting benefits under this chapter must fulfill certification requirements under subdivision 3.

(b) A self-employed individual or independent contractor who has elected and been approved for coverage under section 268B.11 need not fulfill the requirement of paragraph (a), clause (3) or (4).

Subd. 2. **Seven-day qualifying event.** (a) The period for which an applicant is seeking benefits must be or have been based on a single event of at least seven calendar days' duration related to medical care related to pregnancy, family care, a qualifying exigency, safety leave, or the applicant's serious health condition. The days must be consecutive, unless the leave is intermittent.

(b) Benefits related to bonding need not meet the seven-day qualifying event requirement.

(c) The commissioner shall use the rulemaking authority under section 268B.02, subdivision 3, to adopt rules regarding what serious health conditions and other events are prospectively presumed to constitute seven-day qualifying events under this chapter.

Subd. 3. **Certification.** (a) Certification for an applicant taking leave related to the applicant's serious health condition shall be sufficient if the certification states the date on which the serious health condition began, the probable duration of the condition, and the appropriate medical facts within the knowledge of the health care provider as required by the commissioner. If the applicant requests intermittent leave, the certification must include the health care provider's reasonable estimate of the frequency and duration and estimated treatment schedule, if applicable.

(b) Certification for an applicant taking leave to care for a family member with a serious health condition shall be sufficient if the certification states the date on which the serious health condition commenced, the probable duration of the condition, the appropriate medical facts within the knowledge of the health care provider as required by the commissioner, a statement that the family member requires care, and an estimate of the amount of time that the family member will require care.

(c) Certification for an applicant taking leave due to medical care related to pregnancy shall be sufficient if the certification states the applicant is experiencing medical care related to pregnancy and recovery period based on appropriate medical facts within the knowledge of the health care provider.

(d) Certification for an applicant taking bonding leave because of the birth of the applicant's child shall be sufficient if the certification includes either the child's birth certificate or a document issued by the health care provider of the child or the health care provider of the person who gave birth, stating the child's birth date or estimated due date.

(e) Certification for an applicant taking bonding leave because of the placement of a child with the applicant for adoption or foster care shall be sufficient if the applicant provides a document issued by the health care provider of the child, an adoption or foster care agency involved in the placement, or by other individuals as determined by the commissioner that confirms the placement and the date of placement. To the extent that the status of an applicant as an adoptive or foster parent changes while an application for benefits is pending, or while the covered individual is receiving benefits, the applicant must notify the department of such change in status in writing.

(f) Certification for an applicant taking leave because of a qualifying exigency shall be sufficient if the certification includes:

- (1) a copy of the family member's active-duty orders;
- (2) other documentation issued by the United States armed forces; or
- (3) other documentation permitted by the commissioner.

(g) Certification for an applicant taking safety leave is sufficient if the certification includes a court record or documentation signed by an employee of a victim's services organization, an attorney, a police officer, or an antiviolence counselor. The commissioner must not require disclosure of details relating to an applicant's or applicant's family member's domestic abuse, sexual assault, or stalking.

(h) Certifications under paragraphs (a) to (e) must be reviewed and signed by a health care provider with knowledge of the qualifying event associated with the leave.

(i) For a leave taken on an intermittent basis, based on a serious health condition of an applicant or applicant's family member, the certification under this subdivision must include an explanation of how such leave would be medically beneficial to the individual with the serious health condition.

Subd. 4. **Not eligible.** An applicant is ineligible for family or medical leave benefits for any portion of a typical workweek:

- (1) that occurs before the effective date of a benefit account;
- (2) that the applicant fails or refuses to provide information on an issue of ineligibility required under section 268B.07, subdivision 2; or
- (3) for which the applicant worked for pay.

Subd. 5. **Vacation, sick leave, paid time off, and disability insurance payments.** (a) An employee may use vacation pay, sick pay, paid time off pay, or disability insurance payments, in lieu of family or medical leave program benefits under this chapter, provided the employee is concurrently eligible. Subject to the limitations of section 268B.09, subdivision 1, an employee is entitled to the employment protections under section 268B.09 for those workdays during which this option is exercised. This subdivision applies to private plans under section 268B.10.

(b) An employer may offer supplemental benefit payments, as defined in section 268B.01, subdivision 41, to an employee taking leave under this chapter. The choice to receive supplemental benefits lies with the employee. Nothing in this section shall be construed as requiring an employee to receive or an employer to provide supplemental benefits payments. The total amount of paid benefits under this chapter and the supplemental benefits paid must not exceed the employee's usual salary.

Subd. 6. **Workers' compensation offset.** (a) An applicant is not eligible to receive benefits for any portion of a week in which the applicant is receiving or has received compensation for loss of wages equal to or in excess of the applicant's weekly family or medical leave benefit amount under:

(1) the workers' compensation law of this state; or

(2) the workers' compensation law of any other state or similar federal law.

(b) This subdivision does not apply to an applicant who has a claim pending for loss of wages under paragraph (a). If the applicant later receives compensation as a result of the pending claim, the applicant is subject to paragraph (a) and the family or medical leave benefits paid are overpaid benefits under section 268B.185.

(c) If the amount of compensation described under paragraph (a) for any week is less than the applicant's weekly family or medical leave benefit amount, benefits requested for that week are reduced by the amount of that compensation payment.

Subd. 7. Separation, severance, or bonus payments. (a) An applicant is not eligible to receive benefits for any week the applicant is receiving, has received, or will receive separation pay, severance pay, bonus pay, or any other payments paid by an employer because of, upon, or after separation from employment. This subdivision applies if the payment is:

(1) considered wages under section 268B.01, subdivision 47; or

(2) subject to the Federal Insurance Contributions Act (FICA) tax imposed to fund Social Security and Medicare.

(b) Payments under this subdivision are applied to the period immediately following the later of the date of separation from employment or the date the applicant first becomes aware that the employer will be making a payment. The date the payment is actually made or received, or that an applicant must agree to a release of claims, does not affect the application of this paragraph.

(c) This subdivision does not apply to vacation pay, sick pay, personal time off pay, or supplemental benefit payment under subdivision 4.

(d) This subdivision applies to all the weeks of payment.

(e) Under this subdivision, if the payment with respect to a week is equal to or more than the applicant's weekly benefit amount, the applicant is ineligible for benefits for that week. If the payment with respect to a week is less than the applicant's weekly benefit amount, benefits are reduced by the amount of the payment.

Subd. 8. Social Security disability benefits. (a) An applicant who is receiving, has received, or has filed for primary Social Security disability benefits for any week is ineligible for benefits for that week, unless:

(1) the Social Security Administration approved the collecting of primary Social Security disability benefits each month the applicant was employed during the base period; or

(2) the applicant provides a statement from an appropriate health care professional who is aware of the applicant's Social Security disability claim and the basis for that claim, certifying that the applicant is able to perform the essential functions of their employment with or without a reasonable accommodation.

(b) If an applicant meets the requirements of paragraph (a), clause (1) or (2), there is no deduction from the applicant's weekly benefit amount for any Social Security disability benefits.

(c) Information from the Social Security Administration is conclusive, absent specific evidence showing that the information was erroneous.

Subd. 9. Seasonal employment denial. (a) An applicant is not eligible to receive benefits or take protected leave under the provisions of this chapter for any week the applicant is a seasonal employee as defined in section 268B.01, subdivision 35.

(b) If benefits are denied to any applicant under paragraph (a) who remains employed more than 150 days, the applicant is only entitled to benefits beginning the Sunday following the completion of the 150-day period.

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

Sec. 15. [268B.07] DETERMINATION ON ISSUES OF ELIGIBILITY.

Subdivision 1. Employer notification. (a) Upon a determination that an applicant is entitled to benefits, the commissioner must promptly send a notification to each current employer of the applicant, if any, in accordance with paragraph (b).

(b) The notification under paragraph (a) must include, at a minimum:

(1) the name of the applicant;

(2) that the applicant has applied for and received benefits;

(3) the week the benefits commence;

(4) the weekly benefit amount payable; and

(5) the maximum duration of benefits.

Subd. 2. Determination. (a) The commissioner must determine any issue of ineligibility raised by information required from an applicant and send to the applicant and any current base period employer, by mail or electronic transmission, a document titled a determination of eligibility or a determination of ineligibility, as is appropriate, within two weeks, unless the application is incomplete due to outstanding requests for information including clerical or other errors. Nothing prohibits the commissioner from requesting additional information or the applicant from supplementing their initial application before a determination of eligibility. The commissioner may extend the deadline for a determination under this subdivision due to extenuating circumstances.

(b) If an applicant obtained benefits through misrepresentation, the department is authorized to issue a determination of ineligibility within 12 months of the establishment of the benefit account.

(c) If the department has filed an intervention in a worker's compensation matter under section 176.361, the department is authorized to issue a determination of ineligibility within 48 months of the establishment of the benefit account.

(d) A determination of eligibility or determination of ineligibility is final unless an appeal is filed by the applicant within 60 calendar days after sending. The determination must contain a prominent statement indicating the consequences of not appealing. Proceedings on the appeal are conducted in accordance with section 268B.08.

(e) An issue of ineligibility required to be determined under this section includes any question regarding the denial or allowing of benefits under this chapter.

Subd. 3. **Amended determination.** Unless an appeal has been filed, the commissioner, on the commissioner's own motion, may reconsider a determination of eligibility or determination of ineligibility that has not become final and issue an amended determination. Any amended determination must be sent to the applicant and any employer in the current base period by mail or electronic transmission. Any amended determination is final unless an appeal is filed by the applicant within 60 calendar days after sending.

Subd. 4. **Benefit payment.** If a determination or amended determination allows benefits to an applicant, the family or medical leave benefits must be paid regardless of any appeal period or any appeal having been filed.

Subd. 5. **Overpayment.** A determination or amended determination that holds an applicant ineligible for benefits for periods an applicant has been paid benefits is an overpayment of those family or medical leave benefits. A determination or amended determination issued under this section that results in an overpayment of benefits must set out the amount of the overpayment and the requirement that the overpaid benefits must be repaid according to section 268B.185.

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

Sec. 16. **[268B.08] APPEAL PROCESS.**

Subdivision 1. **Hearing.** (a) The commissioner shall designate a chief hearing officer.

(b) Upon a timely appeal to a determination having been filed or upon a referral for direct hearing, the chief hearing officer must set a time and date for a de novo due-process hearing and send notice to an applicant and an employer, by mail or electronic transmission, not less than ten calendar days before the date of the hearing.

(c) The commissioner may adopt rules on procedures for hearings. The rules need not conform to common law or statutory rules of evidence and other technical rules of procedure.

(d) The chief hearing officer has discretion regarding the method by which the hearing is conducted.

(e) The chief hearing officer must assign a hearing officer to conduct a hearing and may transfer to another hearing officer any proceedings pending before another hearing officer.

Subd. 2. **Decision.** (a) After the conclusion of the hearing, upon the evidence obtained, the hearing officer must serve by mail or electronic transmission to all parties the decision, reasons for the decision, and written findings of fact.

(b) Decisions of a hearing officer are not precedential.

Subd. 3. **Request for reconsideration.** Any party, or the commissioner, may, within 30 calendar days after service of the hearing officer's decision, file a request for reconsideration asking the hearing officer to reconsider that decision.

Subd. 4. **Appeal to court of appeals.** Any final determination on a request for reconsideration may be appealed by any party directly to the Minnesota Court of Appeals.

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

Sec. 17. **[268B.085] NOTICE TO EMPLOYER; SCHEDULES.**

Subdivision 1. **Notice to employer.** (a) If the need for leave is foreseeable, an employee must provide the employer at least 30 days' advance notice before leave under this chapter is to begin. If 30 days' notice is not practicable because of a lack of knowledge of approximately when leave will be required to begin, a change in circumstances, or a medical emergency, notice must be given as soon as practicable. Whether leave is to be continuous or is to be taken intermittently, notice need only be given one time, but the employee must advise the employer as soon as practicable if dates of scheduled leave change or are extended, or were initially unknown. In those cases where the employee is required to provide at least 30 days' notice of foreseeable leave and does not do so, the employee must explain the reasons why notice was not practicable upon request from the employer.

(b) "As soon as practicable" means as soon as both possible and practical, taking into account all of the facts and circumstances in the individual case. When an employee becomes aware of a need for leave under this chapter less than 30 days in advance, it should be practicable for the employee to provide notice of the need for leave either the same day or the next day, unless the need for leave is based on a medical emergency. In all cases, however, the determination of when an employee could practicably provide notice must take into account the individual facts and circumstances.

(c) An employee shall provide at least oral, telephone, or text message notice sufficient to make the employer aware that the employee needs leave allowed under this chapter and the anticipated timing and duration of the leave.

(d) In addition to any other prohibition imposed under this chapter, an employer must not discharge, discipline, penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate against an employee for providing this certification.

(e) An employer may require an employee to comply with the employer's usual and customary notice and procedural requirements for requesting leave, including the employer's attendance or call-out policies and procedures, absent unusual circumstances or other circumstances caused by the reason for the employee's need for leave. An employee may be required by an employer's or covered business entity's policy to contact a specific individual or designated phone number to report this information. Leave under this chapter must not be delayed or denied where an employer's usual and customary notice or procedural requirements require notice to be given sooner than set forth in this subdivision.

(f) An employer may require that an employee taking leave under this chapter provide a copy of the certification under section 268B.06, subdivision 3. Upon written request from the employer, the employee shall provide a copy of the certification as soon as practicable and possible given all

of the facts and circumstances in the individual case. Providing certification at or around the time the employee provides a certification to the department shall be considered practicable.

(g) If an employer has failed to provide notice to the employee as required under section 268B.26, paragraph (a), (b), or (e), the employee is not required to comply with the notice requirements of this subdivision.

(h) An employer may not require, as a condition of an employee taking leave under this chapter, that the employee seek or find a replacement worker to cover the hours the employee uses under this chapter.

Subd. 2. **Bonding leave.** Bonding leave taken under this chapter begins at a time requested by the employee. Bonding leave must end within 12 months of the birth, adoption, or placement of a foster child, except that, in the case where the child must remain in the hospital longer than the mother, the leave must end within 12 months after the child leaves the hospital. Employees may also use bonding leave before the actual placement or adoption of a child in situations that include but are not limited to where the employee may be required to:

- (1) attend counseling sessions;
- (2) appear in court;
- (3) consult with the attorney or doctors representing the birth parent;
- (4) submit to a physical examination; or
- (5) travel to another country to complete an adoption.

Subd. 3. **Intermittent schedule.** (a) Leave under this chapter, based on a serious health condition, may be taken intermittently if such leave is reasonable and appropriate to the needs of the individual with the serious health condition. For all other leaves under this chapter, leave may be taken intermittently. Intermittent leave is leave taken in separate blocks of time due to a single, seven-day qualifying event.

(b) For an applicant who takes leave on an intermittent schedule, the weekly benefit amount shall be prorated.

(c) An employee requesting leave taken intermittently shall provide the employer with a schedule of needed workdays off as soon as practicable and must make a reasonable effort to schedule the intermittent leave so as not to disrupt unduly the operations of the employer. If this cannot be done to the satisfaction of both employer and employee, the employer cannot require the employee to change their leave schedule in order to accommodate the employer.

(d) Notwithstanding the allowance for intermittent leave under this subdivision, an employer shall not be required under this chapter to provide, but may elect to provide, more than 480 hours of intermittent leave in any 12-month period. If an employer limits hours of intermittent leave pursuant to this paragraph, an employee is entitled to take their remaining leave continuously, subject to the total amount of leave available under section 268B.04, subdivision 5. An employer may run intermittent leave available under the Family and Medical Leave Act, United States Code, title 29,

sections 2601 to 2654, as amended, concurrent with an employee's entitlement to intermittent leave under this chapter.

EFFECTIVE DATE. This section is effective January 1, 2026, except subdivision 1 is effective November 1, 2025.

Sec. 18. **[268B.09] EMPLOYMENT PROTECTIONS.**

Subdivision 1. **Retaliation prohibited.** (a) An employer must not discharge, discipline, penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate against an employee for requesting or obtaining benefits or leave, or for exercising any other right under this chapter.

(b) For the purposes of this section, the term "leave" includes but is not limited to:

(1) leave taken for any day for which the employee has been deemed eligible for benefits under this chapter; or

(2) any day for which the employee meets the eligibility criteria under section 268B.06, subdivision 1, clause (2) or (3), and the employee has applied for benefits in good faith under this chapter. For the purposes of this subdivision, "good faith" is defined as anything that is not knowingly false or in reckless disregard of the truth.

(c) In addition to the remedies provided in subdivision 8, the commissioner of labor and industry may also issue a penalty to the employer of not less than \$1,000 and not more than \$10,000 per violation, payable to the employee aggrieved. In determining the amount of the penalty under this subdivision, the appropriateness of the penalty to the size of the employer's business and the gravity of the violation shall be considered.

Subd. 2. **Interference prohibited.** An employer must not obstruct or impede an application for leave or benefits or the exercise of any other right under this chapter. In addition to the remedies provided in subdivision 8, the commissioner of labor and industry may also issue a penalty to the employer of not less than \$1,000 and not more than \$10,000 per violation, payable to the employee aggrieved. In determining the amount of the penalty under this subdivision, the appropriateness of the penalty to the size of the employer's business and the gravity of the violation shall be considered.

Subd. 3. **Waiver of rights void.** (a) Any agreement to waive, release, or commute rights to benefits or any other right under this chapter is void, except for a voluntary settlement agreement resolving disputed claims or a valid separation agreement releasing putative claims.

(b) Any provision, whether oral or written, of a lease, contract, or other agreement or instrument that purports to be a waiver by an individual of any right or remedy provided in this chapter is contrary to public policy and void if the waiver or release purports to waive claims arising out of acts or practices that occur after the execution of the waiver or release.

(c) A waiver or release of rights or remedies secured by this chapter that purports to apply to claims arising out of acts or practices prior to, or concurrent with, the execution of the waiver or release may be rescinded within 15 calendar days of its execution, except that a waiver or release given in settlement of a claim filed with the department or with another administrative agency or judicial body is valid and final upon execution. A waiving or releasing party must be informed in

writing of the right to rescind the waiver or release. To be effective, the rescission must be in writing and delivered to the waived or released party by hand, electronically with the receiving party's consent, or by mail within the 15-day period. If delivered by mail, the rescission must be:

- (1) postmarked within the 15-day period;
- (2) properly addressed to the waived or released party; and
- (3) sent by certified mail, return receipt requested.

Subd. 4. **No assignment of benefits.** Any assignment, pledge, or encumbrance of benefits is void, unless otherwise provided in this chapter. Benefits are exempt from levy, execution, attachment, or any other remedy provided for the collection of debt. Any waiver of this subdivision is void.

Subd. 5. **Continued insurance.** (a) During any leave for which an employee is entitled to benefits or leave under this chapter, the employer must maintain coverage under any group insurance policy, group subscriber contract, or health care plan for the employee and any dependents as if the employee was not on leave, provided, however, that the employee must continue to pay any employee share of the cost of such benefits.

(b) This subdivision may be waived for employees who are working in the construction industry under a bona fide collective bargaining agreement that requires employer contributions to a multiemployer health plan pursuant to United States Code, title 29, section 186(c)(5), but only if the waiver is set forth in clear and unambiguous terms in the collective bargaining agreement and explicitly cites this subdivision.

Subd. 6. **Employee right to reinstatement.** (a) On return from leave under this chapter, an employee is entitled to be returned to the same position the employee held when leave commenced or to an equivalent position with equivalent benefits, pay, and other terms and conditions of employment. An employee is entitled to reinstatement even if the employee has been replaced or the employee's position has been restructured to accommodate the employee's absence.

(b)(1) An equivalent position is one that is virtually identical to the employee's former position in terms of pay, benefits, and working conditions, including privileges, prerequisites, and status. It must involve the same or substantially similar duties and responsibilities, which must entail substantially equivalent skill, effort, responsibility, and authority.

(2) If an employee is no longer qualified for the position because of the employee's inability to attend a necessary course, renew a license, fly a minimum number of hours, or similar condition, as a result of the leave, the employee must be given a reasonable opportunity to fulfill those conditions upon return from leave.

(c)(1) An employee is entitled to any unconditional pay increases which may have occurred during the leave period, such as cost of living increases. Pay increases conditioned upon seniority, length of service, or work performed must be granted in accordance with the employer's policy or practice with respect to other employees on an equivalent leave status for a reason that does not qualify for leave under this chapter. An employee is entitled to be restored to a position with the same or equivalent pay premiums, such as a shift differential. If an employee departed from a position

averaging ten hours of overtime, and corresponding overtime pay, each week an employee is ordinarily entitled to such a position on return from leave under this chapter.

(2) Equivalent pay includes any bonus or payment, whether it is discretionary or nondiscretionary, made to employees consistent with clause (1). If a bonus or other payment is based on the achievement of a specified goal such as hours worked, products sold, or perfect attendance, and the employee has not met the goal due to leave under this chapter, the payment may be denied, unless otherwise paid to employees on an equivalent leave status for a reason that does not qualify for leave under this chapter.

(d) Benefits under this section include all benefits provided or made available to employees by an employer, including group life insurance, health insurance, disability insurance, sick leave, annual leave, educational benefits, and pensions, regardless of whether benefits are provided by a practice or written policy of an employer through an employee benefit plan as defined in section 3(3) of United States Code, title 29, section 1002(3).

(1) At the end of an employee's leave under this chapter, benefits must be resumed in the same manner and at the same levels as provided when the leave began, and subject to any changes in benefit levels that may have taken place during the period of leave affecting the entire workforce, unless otherwise elected by the employee. Upon return from a leave under this chapter, an employee must not be required to requalify for any benefits the employee enjoyed before leave began, including family or dependent coverages.

(2) An employee may, but is not entitled to, accrue any additional benefits or seniority during a leave under this chapter. Benefits accrued at the time leave began must be available to an employee upon return from leave.

(3) With respect to pension and other retirement plans, leave under this chapter must not be treated as or counted toward a break in service for purposes of vesting and eligibility to participate. If the plan requires an employee to be employed on a specific date in order to be credited with a year of service for vesting, contributions, or participation purposes, an employee on leave under this chapter must be treated as employed on that date. Periods of leave under this chapter need not be treated as credited service for purposes of benefit accrual, vesting, and eligibility to participate.

(4) Employees on leave under this chapter must be treated as if they continued to work for purposes of changes to benefit plans. Employees on leave under this chapter are entitled to changes in benefit plans, except those which may be dependent upon seniority or accrual during the leave period, immediately upon return from leave or to the same extent they would have qualified if no leave had been taken.

(e) An equivalent position must have substantially similar duties, conditions, responsibilities, privileges, and status as the employee's original position.

(1) The employee must be reinstated to the same or a geographically proximate worksite from where the employee had previously been employed. If the employee's original worksite has been closed, the employee is entitled to the same rights as if the employee had not been on leave when the worksite closed.

(2) The employee is ordinarily entitled to return to the same shift or the same or an equivalent work schedule.

(3) The employee must have the same or an equivalent opportunity for bonuses, profit-sharing, and other similar discretionary and nondiscretionary payments, excluding any bonus paid to another employee or employees for covering the work of the employee while the employee was on leave.

(4) This chapter does not prohibit an employer from accommodating an employee's request to be restored to a different shift, schedule, or position which better suits the employee's personal needs on return from leave, or to offer a promotion to a better position. However, an employee must not be induced by the employer to accept a different position against the employee's wishes.

(f) The requirement that an employee be restored to the same or equivalent job with the same or equivalent pay, benefits, and terms and conditions of employment does not extend to de minimis, intangible, or unmeasurable aspects of the job.

(g) Nothing in this section shall be deemed to affect the Americans with Disabilities Act, United States Code, title 42, chapter 126.

(h) Ninety calendar days from the date of hire, an employee has a right and is entitled to reinstatement as provided under this subdivision for any day for which:

(1) the employee has been deemed eligible for benefits under this chapter; or

(2) the employee meets the eligibility criteria under section 268B.06, subdivision 1, clause (2) or (3), and the employee has applied for benefits in good faith under this chapter. For the purposes of this paragraph, good faith is defined as anything that is not knowingly false or in reckless disregard of the truth.

(i) This subdivision and subdivision 7 may be waived for employees who are working in the construction industry under a bona fide collective bargaining agreement with a construction trade union that maintains a referral-to-work procedure for employees to obtain employment with multiple signatory employers, but only if the waiver is set forth in clear and unambiguous terms in the collective bargaining agreement and explicitly cites this subdivision and subdivision 7.

Subd. 7. **Limitations on an employee's right to reinstatement.** An employee has no greater right to reinstatement or to other benefits and conditions of employment than if the employee had been continuously employed during the period of leave under this chapter. An employer must be able to show that an employee would not otherwise have been employed at the time reinstatement is requested in order to deny restoration to employment.

(1) If an employee is laid off during the course of taking a leave under this chapter and employment is terminated, the employer's responsibility to continue the leave, maintain group health plan benefits, and restore the employee cease at the time the employee is laid off, provided the employer has no continuing obligations under a collective bargaining agreement or otherwise. An employer has the burden of proving that an employee would have been laid off during the period of leave under this chapter and, therefore, would not be entitled to restoration to a job slated for layoff when the employee's original position would not meet the requirements of an equivalent position.

(2) If a shift has been eliminated or overtime has been decreased, an employee would not be entitled to return to work that shift or the original overtime hours upon restoration. However, if a position on, for example, a night shift has been filled by another employee, the employee is entitled to return to the same shift on which employed before taking leave under this chapter.

(3) If an employee was hired for a specific term or only to perform work on a discrete project, the employer has no obligation to restore the employee if the employment term or project is over and the employer would not otherwise have continued to employ the employee.

Subd. 8. Remedies. (a) In addition to any other remedies available to an employee in law or equity, an employer who violates the provisions of this section is liable to any employee affected for:

(1) damages equal to the amount of:

(i) any and all damages recoverable by law;

(ii) reasonable interest on the amount of damages awarded; and

(iii) an additional amount as liquidated damages equal to the sum of the amount described in item (i) and the interest described in item (ii), except that if an employer who has violated the provisions of this section proves to the satisfaction of the court that the act or omission which violated the provisions of this section was in good faith and that the employer had reasonable grounds for believing that the act or omission was not a violation of the provisions of this section, the court may, in the discretion of the court, reduce the amount of the liability to the amount and interest determined under items (i) and (ii), respectively; and

(2) such injunctive and other equitable relief as determined by a court or jury, including employment, reinstatement, and promotion.

(b) An action to recover damages or equitable relief prescribed in paragraph (a) may be maintained against any employer in any federal or state court of competent jurisdiction by any one or more employees for and on behalf of:

(1) the employees; or

(2) the employees and other employees similarly situated.

(c) Rule 23 of the Rules of Civil Procedure applies to this section.

(d) The court in an action under this section must, in addition to any judgment awarded to the plaintiff or plaintiffs, allow reasonable attorney fees, reasonable expert witness fees, and other costs of the action to be paid by the defendant.

(e) Nothing in this section shall be construed to allow an employee to recover damages from an employer for the denial of benefits under this chapter by the department, unless the employer unlawfully interfered with the application for benefits under subdivision 2.

(f) An employee bringing a civil action under this section is entitled to a jury trial. An employee cannot waive their right to a jury trial under this section including, but not limited to, by signing an agreement to submit claims to arbitration.

EFFECTIVE DATE. This section is effective January 1, 2026, except subdivisions 1 to 4 are effective November 1, 2025.

Sec. 19. **[268B.10] SUBSTITUTION OF A PRIVATE PLAN.**

Subdivision 1. **Application for substitution.** Employers may apply to the commissioner for approval to meet their obligations under this chapter through the substitution of a private plan that provides paid family, paid medical, or paid family and medical benefits. In order to be approved as meeting an employer's obligations under this chapter, a private plan must confer all of the same rights, protections, and benefits provided to employees under this chapter, including but not limited to benefits under section 268B.04 and employment protections under section 268B.09. Employers may apply for approval of private plans that exceed the benefits provided to employees under this chapter. An employee covered by a private plan under this section retains all applicable rights and remedies under section 268B.09.

Subd. 2. **Private plan requirements; medical benefit program.** The commissioner, in consultation with the commissioner of commerce, must approve an application for private provision of the medical benefit program if the commissioner determines:

(1) all of the employees of the employer are to be covered under the provisions of the employer plan;

(2) eligibility requirements for benefits and leave are no more restrictive than as provided under this chapter;

(3) the weekly benefits payable under the private plan for any week are at least equal to the weekly benefit amount payable under this chapter;

(4) the total number of weeks for which benefits are payable under the private plan is at least equal to the total number of weeks for which benefits would have been payable under this chapter;

(5) no greater amount is required to be paid by employees toward the cost of benefits under the employer plan than by this chapter;

(6) wage replacement benefits are stated in the plan separately and distinctly from other benefits;

(7) the private plan will provide benefits and leave for any serious health condition or medical care related to pregnancy for which benefits are payable, and leave provided, under this chapter;

(8) the private plan will impose no additional condition or restriction on the use of medical benefits beyond those explicitly authorized by this chapter or regulations promulgated pursuant to this chapter;

(9) the private plan will allow any employee covered under the private plan who is eligible to receive medical benefits under this chapter to receive medical benefits under the employer plan; and

(10) coverage will continue under the private plan while an employee remains employed by the employer.

Subd. 3. **Private plan requirements; family benefit program.** The commissioner, in consultation with the commissioner of commerce, must approve an application for private provision of the family benefit program if the commissioner determines:

(1) all of the employees of the employer are to be covered under the provisions of the employer plan;

(2) eligibility requirements for benefits and leave are no more restrictive than as provided under this chapter;

(3) the weekly benefits payable under the private plan for any week are at least equal to the weekly benefit amount payable under this chapter;

(4) the total number of weeks for which benefits are payable under the private plan is at least equal to the total number of weeks for which benefits would have been payable under this chapter;

(5) no greater amount is required to be paid by employees toward the cost of benefits under the employer plan than by this chapter;

(6) wage replacement benefits are stated in the plan separately and distinctly from other benefits;

(7) the private plan will provide benefits and leave for any care for a family member with a serious health condition, bonding with a child, qualifying exigency, or safety leave event for which benefits are payable, and leave provided, under this chapter;

(8) the private plan will impose no additional condition or restriction on the use of family benefits beyond those explicitly authorized by this chapter or regulations promulgated pursuant to this chapter;

(9) the private plan will allow any employee covered under the private plan who is eligible to receive family benefits under this chapter to receive family benefits under the employer plan; and

(10) coverage will continue under the private plan while an employee remains employed by the employer.

Subd. 4. **Surety bond requirement.** If the private plan is in the form of self-insurance, the employer shall file with its application for private provision of the medical benefit or family benefit program a surety bond in an amount equal to the employer's annual premium that it would otherwise be required to pay to the family and medical benefit insurance account. The surety bond must be in a form approved by the commissioner and issued by a surety company authorized to transact business in Minnesota.

Subd. 5. **Private plan requirements; timing of payment.** Private plan benefits may be paid to align with the employer's payroll cycle or according to the terms of the approved private plan.

Subd. 6. **Private plan requirements; weekly benefit determination.** For purposes of determining the family and medical benefit amount and duration under a private plan, the weekly benefit amount and duration shall be based on the employee's typical work week and wages earned

with the employer at the time of an application for benefits. If an employer does not have complete base period wage detail information, the employer may accept an employee's certification of wage credits, based on the employee's records.

Subd. 7. **Use of private insurance products.** Nothing in this section prohibits an employer from meeting the requirements of a private plan through a private insurance product. If the employer plan involves a private insurance product, that insurance product must be approved by the commissioner of commerce and be issued by an insurance company authorized to transact insurance in this state.

Subd. 8. **Private plan approval and oversight fee.** An employer with an approved private plan is not required to pay premiums established under section 268B.14. An employer with an approved private plan is responsible for a private plan approval and oversight fee equal to \$250 for employers with fewer than 50 employees, \$500 for employers with 50 to 499 employees, and \$1,000 for employers with 500 or more employees. The employer must pay this fee (1) upon initial application for private plan approval, and (2) any time the employer applies to amend the private plan. The commissioner must review and report on the adequacy of this fee to cover private plan administrative costs annually beginning January 1, 2027, as part of the annual report established in section 268B.25.

Subd. 9. **Plan duration.** A private plan under this section must be in effect for a period of at least one year and, thereafter, continuously unless the commissioner finds that the employer has given notice of withdrawal from the plan in a manner specified by the commissioner in this section or rule. The plan may be withdrawn by the employer within 30 days of the effective date of any law increasing the benefit amounts or within 30 days of the date of any change in the rate of premiums. If the plan is not withdrawn, it must be administered to provide the increased benefit amount or change in the rate of the employee's premium on the date of the increase or change.

Subd. 10. **Employer reimbursement.** If an employer meeting the requirements of a private plan through an insurance product under subdivision 6 has made advance payments of benefits due under this chapter or has made payments to an employee in like manner as wages during any period of family or medical leave for which the employee is entitled to the benefits provided by this chapter, the employer is entitled to be reimbursed by the carrier or third party administrator out of any benefits due or to become due for the family or medical leave, if the claim for reimbursement is filed with the carrier prior to payment of the benefits by the carrier.

Subd. 11. **Appeals.** (a) An employer may appeal any adverse action regarding that employer's application for private provision of the medical benefit or family benefit program, in a manner specified by the commissioner.

(b) An employee covered under a private plan has the same right to appeal to the state under section 268B.04, subdivision 7, as any other employee. An employee covered under a private plan has the right to request reconsideration of a decision under a private plan made by an insurer, private plan administrator, or employer prior to exercising appeal rights under section 268B.04.

Subd. 12. **Employees no longer covered.** (a) An employee is no longer covered by an approved private plan if a leave under this chapter occurs after the employment relationship with the private plan employer ends, or if the commissioner revokes the approval of the private plan.

(b) An employee no longer covered by an approved private plan is, if otherwise eligible, immediately entitled to benefits under this chapter to the same extent as though there had been no approval of the private plan.

Subd. 13. **Posting of notice regarding private plan.** An employer with a private plan must provide a notice prepared by or approved by the commissioner regarding the private plan consistent with section 268B.26.

Subd. 14. **Amendment.** (a) The commissioner must approve any amendment, other than those required by this chapter, to a private plan adjusting the provisions thereof, if the commissioner determines:

(1) that the plan, as amended, will conform to the standards set forth in this chapter; and

(2) that notice of the amendment has been delivered to all affected employees at least ten days before the submission of the amendment.

(b) Any amendments approved under this subdivision are effective on the date of the commissioner's approval, unless the commissioner and the employer agree on a later date.

Subd. 15. **Successor employer.** A private plan in effect at the time a successor acquires the employer organization, trade, or business, or substantially all the assets thereof, or a distinct and severable portion of the organization, trade, or business, and continues its operation without substantial reduction of personnel resulting from the acquisition, must continue the approved private plan and must not withdraw the plan without a specific request for withdrawal in a manner and at a time specified by the commissioner. A successor may terminate a private plan with notice to the commissioner and within 90 days from the date of the acquisition.

Subd. 16. **Revocation of approval by commissioner.** (a) The commissioner may terminate any private plan if the commissioner determines the employer:

(1) failed to pay benefits;

(2) failed to pay benefits in a timely manner, consistent with the requirements of this chapter;

(3) failed to submit reports as required by this chapter or rule adopted under this chapter; or

(4) otherwise failed to comply with this chapter or rule adopted under this chapter.

(b) The commissioner must give notice of the intention to terminate a plan to the employer at least ten days before taking any final action. The notice must state the effective date and the reason for the termination.

(c) The employer may, within ten days from mailing or personal service of the notice, file an appeal to the commissioner in the time, manner, method, and procedure provided by the commissioner under subdivision 11.

(d) The payment of benefits must not be delayed during an employer's appeal of the revocation of approval of a private plan.

(e) If the commissioner revokes approval of an employer's private plan, that employer is ineligible to apply for approval of another private plan for a period of three years, beginning on the date of revocation.

Subd. 17. **Employer penalties.** (a) The commissioner may assess the following monetary penalties against an employer with an approved private plan found to have violated this chapter:

(1) \$1,000 for the first violation; and

(2) \$2,000 for the second, and each successive violation.

(b) The commissioner must waive collection of any penalty if the employer corrects the violation within 30 days of receiving a notice of the violation and the notice is for a first violation.

(c) The commissioner may waive collection of any penalty if the commissioner determines the violation to be an inadvertent error by the employer.

(d) Monetary penalties collected under this section shall be deposited in the family and medical benefit insurance account.

(e) Assessment of penalties under this subdivision may be appealed as provided by the commissioner under subdivision 11.

Subd. 18. **Reports, information, and records.** Employers with an approved private plan must maintain all reports, information, and records as relating to the private plan and claims for a period of six years from creation and provide to the commissioner upon request.

Subd. 19. **Audit and investigation.** The commissioner may investigate and audit plans approved under this section both before and after the plans are approved.

Subd. 20. **Voluntary termination of an approved private plan by an employer.** (a) An employer may terminate its approved private plan by notifying the commissioner in writing at least 30 days before the voluntary termination's effective date.

(b) The employer must notify employees of the voluntary termination no later than 30 days before the termination's effective date.

(c) An employer must continue the approved private plan's coverage through the termination's effective date. If an employer does not continue the approved private plan's coverage through the termination's effective date, the commissioner shall assess against the employer a fine per employee per day the employee was not covered through the termination's effective date. The fine per employee per day will equal the employer's and employee's total premium amount for a year, divided by 365.

Subd. 21. **Employer obligations after termination of private plan approval.** (a) Within seven days of the effective date of a voluntary or involuntary termination of private plan approval, the employer must notify all employees of the termination and notify all employees that they are under the state plan as a result of the termination.

(b) If an employer's workforce becomes covered by the state plan because the employer's private plan approval was voluntarily or involuntarily terminated, the employer must remain covered by the state plan and pay premiums to the state for a period of at least three years.

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

Sec. 20. **[268B.11] SELF-EMPLOYED AND INDEPENDENT CONTRACTOR ELECTION OF COVERAGE.**

Subdivision 1. **Election of coverage.** (a) A self-employed individual or independent contractor may file with the commissioner by electronic transmission in a format prescribed by the commissioner an application to be entitled to benefits under this chapter for a period not less than 104 consecutive calendar weeks. Upon the approval of the commissioner, sent by United States mail or electronic transmission, the individual is entitled to benefits under this chapter beginning the calendar quarter after the date of approval or beginning in a later calendar quarter if requested by the self-employed individual or independent contractor. The individual ceases to be entitled to benefits as of the first day of January of any calendar year only if, at least 30 calendar days before the first day of January, the individual has filed with the commissioner by electronic transmission in a format prescribed by the commissioner a notice to that effect.

(b) The commissioner may terminate any application approved under this section with 30 calendar days' notice sent by United States mail or electronic transmission if the self-employed individual is delinquent on any premiums due under this chapter. If an approved application is terminated in this manner during the first 104 consecutive calendar weeks of election, the self-employed individual remains obligated to pay the premium under subdivision 3 for the remainder of that 104-week period.

Subd. 2. **Application.** A self-employed individual who applies for coverage under this section must provide the commissioner with (1) the amount of the individual's net earnings from self-employment, if any, from the most recent taxable year and all tax documents necessary to prove the accuracy of the amounts reported, and (2) any other documentation the commissioner requires. A self-employed individual who is covered under this chapter must annually provide the commissioner with the amount of the individual's net earnings from self-employment within 30 days of filing a federal income tax return.

Subd. 3. **Premium.** A self-employed individual who elects to receive coverage under this chapter must annually pay a premium as provided in section 268B.14, subdivision 6, clause (1), times the lesser of:

(1) the individual's self-employment premium base; or

(2) the maximum earnings subject to the FICA Old-Age, Survivors, and Disability Insurance tax.

Subd. 4. **Benefits.** Notwithstanding anything to the contrary, a self-employed individual who has applied to and been approved for coverage by the commissioner under this section is entitled to benefits on the same basis as an employee under this chapter, except that a self-employed individual's weekly benefit amount under section 268B.04, subdivision 1, must be calculated as a percentage of the self-employed individual's self-employment premium base, rather than wages.

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

Sec. 21. [268B.12] WAGE REPORTING.

Subdivision 1. **Wage detail report.** (a) Each employer must submit, under the employer premium account described in section 268B.13, a quarterly wage detail report by electronic transmission, in a format prescribed by the commissioner. The report must include for each employee in covered employment and for each seasonal employee during the calendar quarter, the employee's name, the total wages paid to the employee, and total number of paid hours worked. For employees exempt from the definition of employee in section 177.23, subdivision 7, clause (6), the employer must report 40 hours worked for each week any duties were performed by a full-time employee and must report a reasonable estimate of the hours worked for each week duties were performed by a part-time employee. In addition, the wage detail report must include the number of employees employed during the payroll period that includes the 12th day of each calendar month and, if required by the commissioner, the report must be broken down by business location and separate business unit. The report is due and must be received by the commissioner on or before the last day of the month following the end of the calendar quarter. The commissioner may delay the due date on a specific calendar quarter in the event the department is unable to accept wage detail reports electronically.

(b) The employer may report the wages paid to the next lower whole dollar amount.

(c) An employer need not include the name of the employee or other required information on the wage detail report if disclosure is specifically exempted from being reported by federal law.

(d) A wage detail report must be submitted for each calendar quarter even though no wages were paid, unless the business has been terminated.

Subd. 2. **Electronic transmission of report required.** Each employer must submit the quarterly wage detail report by electronic transmission in a format prescribed by the commissioner. The commissioner has the discretion to accept wage detail reports that are submitted by any other means or the commissioner may return the report submitted by other than electronic transmission to the employer, and reports returned are considered as not submitted and the late fees under subdivision 3 may be imposed.

Subd. 3. **Failure to timely file report; late fees.** (a) Any employer that fails to submit the quarterly wage detail report when due must pay a late fee of \$10 per employee, computed based upon the highest of:

(1) the number of employees reported on the last wage detail report submitted;

(2) the number of employees reported in the corresponding quarter of the prior calendar year;

or

(3) if no wage detail report has ever been submitted, the number of employees listed at the time of employer registration.

The late fee is canceled if the wage detail report is received within 30 calendar days after a demand for the report is sent to the employer by mail or electronic transmission. A late fee assessed to an

employer may not be canceled more than twice each 12 months. The amount of the late fee assessed may not be less than \$250.

(b) If the wage detail report is not received in a manner and format prescribed by the commissioner within 30 calendar days after demand is sent under paragraph (a), the late fee assessed under paragraph (a) doubles and a renewed demand notice and notice of the increased late fee will be sent to the employer by mail or electronic transmission.

(c) Late fees due under this subdivision may be canceled, in whole or in part, under section 268B.16.

Subd. 4. **Missing or erroneous information.** (a) Any employer that submits the wage detail report, but fails to include all required employee information or enters erroneous information, may be subject to an administrative service fee of \$25 for each employee for whom the information is partially missing or erroneous.

(b) Any employer that submits the wage detail report, but fails to include an employee, may be subject to an administrative service fee equal to two percent of the total wages for each employee for whom the information is completely missing.

(c) An employer shall not be subject to any penalty under this section upon a reasonable showing that the employer's act or omission which violated the provisions of this section was in good faith or that the employer had reasonable grounds for believing that the act or omission was not a violation of the provisions of this section.

Subd. 5. **Fees.** The fees provided for in subdivisions 3 and 4 are in addition to interest and other penalties imposed by this chapter and are collected in the same manner as delinquent taxes and credited to the family and medical benefit insurance account.

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

Sec. 22. **[268B.13] EMPLOYER PREMIUM ACCOUNTS.**

The commissioner must maintain a premium account for each employer. The commissioner must assess the premium account for all the premiums due under section 268B.14, and credit the family and medical benefit insurance account with all premiums paid.

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

Sec. 23. **[268B.14] PREMIUMS.**

Subdivision 1. **Payments.** (a) Family and medical leave premiums accrue and become payable by each employer, except for an employer with an approved private plan under section 268B.10, for each calendar year on the taxable wages that the employer paid to employees in covered employment.

Each employer must pay premiums quarterly, at the premium rate defined under this section, on the taxable wages paid to each employee. The commissioner must compute the premium due from the wage detail report required under section 268B.12 and notify the employer of the premium due. The premiums must be paid to the family and medical benefit insurance account and must be

received by the department on or before the last day of the month following the end of the calendar quarter.

(b) If for any reason the wages on the wage detail report under section 268B.12 are adjusted for any quarter, the commissioner must recompute the premiums due for that quarter and assess the employer for any amount due or credit the employer as appropriate.

Subd. 2. **Payments by electronic payment required.** (a) Every employer must make any payments due under this chapter by electronic payment.

(b) All third-party processors, paying on behalf of a client company, must make any payments due under this chapter by electronic payment.

(c) Regardless of paragraph (a) or (b), the commissioner has the discretion to accept payment by other means.

Subd. 3. **Employee charge back.** Notwithstanding section 177.24, subdivision 4, or 181.06, subdivision 1, employers must pay a minimum of 50 percent of the annual premiums paid under this section. Employees, through a deduction in their wages to the employer, must pay the remaining portion, if any, of the premium not paid by the employer. Such deductions for any given employee must be in equal proportion to the premiums paid based on the wages of that employee. Deductions under this section must not cause an employee's wage, after the deduction, to fall below the rate required to be paid to the worker by law, including any applicable statute, regulation, rule, ordinance, government resolution or policy, or other legal authority, whichever rate of pay is greater.

Subd. 4. **Wages and payments subject to premium.** The maximum wages subject to premium in a calendar year is equal to the maximum earnings in that year subject to the FICA Old-Age, Survivors, and Disability Insurance tax.

Subd. 5. **Small business wage exclusion.** (a) For employers with fewer than 30 employees, the amount of wages upon which quarterly employer premium is required is reduced by the premium rate to be paid by the employer multiplied by the lesser of:

(1) \$12,500 multiplied by the number of employees; or

(2) \$120,000.

(b) For each employee over 20 employees, the exclusion is reduced by \$12,000.

(c) The premium paid by the employer as a result of the reduction allowed under this subdivision must not be less than zero.

(d) The reduction in premiums paid by the employer is for the sole benefit of the employer and does not relieve the employer from deducting the employee portion of the premium.

Subd. 6. **Annual employer premium rates.** The employer premium rates beginning January 1, 2026, shall be as follows:

(1) for an employer participating in both family and medical benefit programs, 0.7 percent;

(2) for an employer participating in only the medical benefit program and with an approved private plan for the family benefit program, 0.4 percent; and

(3) for an employer participating in only the family benefit program and with an approved private plan for the medical benefit program, 0.3 percent.

Subd. 7. **Premium rate adjustments.** (a) Beginning January 1, 2027, and by July 31 of each year thereafter, the commissioner must adjust the annual premium rates using the formula in paragraph (b). In no year shall the annual premium rate exceed 1.2 percent of taxable wages paid to each employee.

(b) To calculate the employer rates for a calendar year, the commissioner must:

(1) multiply 1.45 times the amount disbursed from the family and medical benefit insurance account for the 52-week period ending September 30 of the prior year;

(2) subtract the amount in the family and medical benefit insurance account on that September 30 from the resulting figure;

(3) divide the resulting figure by the total wages in covered employment of employees of employers without approved private plans under section 268B.10 for either the family or medical benefit program. For employers with an approved private plan for either the medical benefit program or the family benefit program, but not both, count only the proportion of wages in covered employment associated with the program for which the employer does not have an approved private plan; and

(4) round the resulting figure down to the nearest one-hundredth of one percent.

(c) The commissioner must apportion the premium rate between the family and medical benefit programs based on the relative proportion of expenditures for each program during the preceding year.

Subd. 8. **Deposit of premiums.** All premiums collected under this section must be deposited into the family and medical benefit insurance account.

Subd. 9. **Nonpayment of premiums by employer.** The failure of an employer to pay premiums does not impact the right of an employee to benefits, or any other right, under this chapter.

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

Sec. 24. **[268B.145] INCOME TAX WITHHOLDING AND STATE TAXATION.**

Subdivision 1. **Federal income tax.** If the Internal Revenue Service determines that benefits received under this chapter are subject to federal income tax, the applicant may elect to have federal income tax deducted and withheld from the applicant's benefits.

Subd. 2. **State income tax.** Benefits received under this chapter are subject to state income tax. If the applicant elects to have federal income tax withheld, the applicant may, in addition, elect to have Minnesota state income tax withheld.

Subd. 3. **Notification.** Upon filing an application for benefits, the applicant must be informed that:

- (1) benefits are subject to federal and state income tax;
- (2) there are requirements for filing estimated tax payments;
- (3) the applicant may elect to have federal income tax withheld from benefits;
- (4) if the applicant elects to have federal income tax withheld, the applicant may, in addition, elect to have Minnesota state income tax withheld; and
- (5) at any time during the benefit year the applicant may change a prior election.

Subd. 4. **Withholding.** If an applicant elects to have federal income tax withheld, the commissioner must deduct ten percent for federal income tax. If an applicant also elects to have Minnesota state income tax withheld, the commissioner must make an additional five percent deduction for state income tax. Any amount deducted under section 268B.06 has priority over any amounts deducted under this section. Federal income tax withholding has priority over state income tax withholding. An election to have income tax withheld may not be retroactive and only applies to benefits paid after the election.

Subd. 5. **Transfer of funds.** The amount of any benefits deducted under this section remains in the family and medical benefit insurance account until transferred to the Internal Revenue Service, or the Department of Revenue, as an income tax payment on behalf of the applicant.

Subd. 6. **Correction of errors.** Any error that resulted in underwithholding or overwithholding under this section must not be corrected retroactively.

Subd. 7. **Effect of payments.** Any amount deducted under this section is considered as benefits paid to the applicant.

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

Sec. 25. **[268B.15] COLLECTION OF PREMIUMS.**

Subdivision 1. **Amount computed presumed correct.** Any amount due from an employer, as computed by the commissioner, is presumed to be correctly determined and assessed, and the burden is upon the employer to show its incorrectness. A statement by the commissioner of the amount due is admissible in evidence in any court or administrative proceeding and is prima facie evidence of the facts in the statement.

Subd. 2. **Priority of payments.** (a) Any payment received from an employer must be applied in the following order:

- (1) family and medical leave premiums under this chapter; then
- (2) interest on past due premiums; then
- (3) penalties, late fees, administrative service fees, and costs.

(b) Paragraph (a) is the priority used for all payments received from an employer, regardless of how the employer may designate the payment to be applied, except when:

(1) there is an outstanding lien and the employer designates that the payment made should be applied to satisfy the lien;

(2) the payment is specifically designated by the employer to be applied to an outstanding overpayment of benefits of an applicant;

(3) a court or administrative order directs that the payment be applied to a specific obligation;

(4) a preexisting payment plan provides for the application of payment; or

(5) the commissioner, under the compromise authority of section 268B.16, agrees to apply the payment to a different priority.

Subd. 3. **Estimating the premium due.** Only if an employer fails to make all necessary records available for an audit under section 268B.21 and the commissioner has reason to believe the employer has not reported all the required wages on the quarterly wage detail reports, may the commissioner then estimate the amount of premium due and assess the employer the estimated amount due.

Subd. 4. **Costs.** (a) Any employer and any applicant subject to section 268B.185, subdivision 2, that fails to pay any amount when due under this chapter is liable for any filing fees, recording fees, sheriff fees, costs incurred by referral to any public or private collection agency, or litigation costs, including attorney fees, incurred in the collection of the amounts due.

(b) If any tendered payment of any amount due is not honored when presented to a financial institution for payment, any costs assessed the department by the financial institution and a fee of \$25 must be assessed to the person.

Subd. 5. **Interest on amounts past due.** If any amounts due from an employer under this chapter are not received on the date due, the commissioner must assess interest on any amount that remains unpaid. Interest is assessed at the rate of one percent per month or any part of a month. Interest is not assessed on unpaid interest. Interest collected under this subdivision is credited to the account.

Subd. 6. **Interest on judgments.** Regardless of section 549.09, if a judgment is entered upon any past due amounts from an employer under this chapter, the unpaid judgment bears interest at the rate specified in subdivision 5 until the date of payment.

Subd. 7. **Credit adjustments; refunds.** (a) If an employer makes an application for a credit adjustment of any amount paid under this chapter within four years of the date that the payment was due, in a manner and format prescribed by the commissioner, and the commissioner determines that the payment or any portion thereof was erroneous, the commissioner must make an adjustment and issue a credit without interest. If a credit cannot be used, the commissioner must refund, without interest, the amount erroneously paid. The commissioner, on the commissioner's own motion, may make a credit adjustment or refund under this subdivision.

(b) Any refund returned to the commissioner is considered unclaimed property under chapter 345.

(c) If a credit adjustment or refund is denied in whole or in part, a determination of denial must be sent to the employer by mail or electronic transmission. The determination of denial is final unless an employer files an appeal within 20 calendar days after sending. Proceedings on the appeal are conducted in accordance with section 268B.08.

(d) If an employer receives a credit adjustment or refund under this section, the employer must determine the amount of any overpayment attributable to a deduction from employee wages under section 268B.14, subdivision 3, and return any amount erroneously deducted to each affected employee.

Subd. 8. **Priorities under legal dissolutions or distributions.** In the event of any distribution of an employer's assets according to an order of any court, including any receivership, assignment for benefit of creditors, adjudicated insolvency, or similar proceeding, premiums then or thereafter due must be paid in full before all other claims except claims for wages of not more than \$1,000 per former employee, earned within six months of the commencement of the proceedings. In the event of an employer's adjudication in bankruptcy under federal law, premiums then or thereafter due are entitled to the priority provided in that law for taxes due in any state.

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

Sec. 26. **[268B.155] CHILD SUPPORT DEDUCTION FROM BENEFITS.**

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

(1) "child support agency" means the public agency responsible for child support enforcement, including federally approved comprehensive Tribal IV-D programs; and

(2) "child support obligations" means obligations that are being enforced by a child support agency in accordance with a plan described in United States Code, title 42, sections 454 and 455 of the Social Security Act that has been approved by the secretary of health and human services under part D of title IV of the Social Security Act. This does not include any type of spousal maintenance or foster care payments.

Subd. 2. **Notice upon application.** In an application for family or medical leave benefits, the applicant must disclose if child support obligations are owed and, if so, in what state and county. If child support obligations are owed, the commissioner must, if the applicant establishes a benefit account, notify the child support agency.

Subd. 3. **Withholding of benefit.** The commissioner must deduct and withhold from any family or medical leave benefits payable to an applicant who owes child support obligations:

(1) the amount required under a proper order of a court or administrative agency; or

(2) if clause (1) is not applicable, the amount determined under an agreement under United States Code, title 42, section 454 (20)(B)(i), of the Social Security Act; or

(3) if clause (1) or (2) is not applicable, the amount specified by the applicant.

Subd. 4. **Payment.** Any amount deducted and withheld must be paid to the child support agency, must for all purposes be treated as if it were paid to the applicant as family or medical leave benefits

and paid by the applicant to the child support agency in satisfaction of the applicant's child support obligations.

Subd. 5. **Payment of costs.** The child support agency must pay the costs incurred by the commissioner in the implementation and administration of this section and sections 518A.50 and 518A.53.

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

Sec. 27. **[268B.16] COMPROMISE.**

(a) The commissioner may compromise in whole or in part any action, determination, or decision that affects only an employer and not an applicant. This paragraph applies if it is determined by a court of law, or a confession of judgment, that an applicant, while employed, wrongfully took from the employer \$500 or more in money or property.

(b) The commissioner may at any time compromise any premium or reimbursement due from an employer under this chapter.

(c) Any compromise involving an amount over \$10,000 must be authorized by an attorney licensed to practice law in Minnesota who is an employee of the department designated by the commissioner for that purpose.

(d) Any compromise must be in the best interest of the state of Minnesota.

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

Sec. 28. **[268B.17] ADMINISTRATIVE COSTS.**

Beginning January 1, 2026, and each calendar year thereafter, the commissioner may spend up to seven percent of projected benefit payments for that calendar year for the administration of this chapter. The department may enter into interagency agreements with the Department of Labor and Industry and the Department of Commerce, including agreements to transfer funds, subject to the limit in this section, for the Department of Labor and Industry to fulfill its enforcement authority of this chapter and for the Department of Commerce to fulfill the requirements of this chapter.

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

Sec. 29. **[268B.18] PUBLIC OUTREACH.**

Beginning in fiscal year 2026, the commissioner must use at least 0.5 percent of projected benefit payments under section 268B.17 for the purpose of outreach, education, and technical assistance for employees, employers, and self-employed individuals eligible to elect coverage under section 268B.11. The department may enter into interagency agreements with the Department of Labor and Industry and the Department of Commerce, including agreements to transfer funds, subject to the limit in section 268B.17, to accomplish the requirements of this section. At least one-half of the amount spent under this section must be used for grants to community-based groups.

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

Sec. 30. **[268B.185] BENEFIT OVERPAYMENTS.**

Subdivision 1. **Repaying an overpayment.** (a) Any applicant who (1) because of a determination or amended determination issued under this chapter, or (2) because of a hearing officer's decision under section 268B.08, has received any family or medical leave benefits that the applicant was held not entitled to, is overpaid the benefits and must promptly repay the benefits to the family and medical benefit insurance account.

(b) If the applicant fails to repay the benefits overpaid, including any penalty and interest assessed under subdivisions 2 and 4, the total due may be collected by the methods allowed under state and federal law.

Subd. 2. **Overpayment because of misrepresentation.** (a) An applicant has committed misrepresentation if the applicant is overpaid benefits by making an intentional false statement or representation in an effort to fraudulently collect benefits. Overpayment because of misrepresentation does not occur where there is an unintentional mistake or a good faith belief as to the eligibility or correctness of the statement or representation.

(b) After the discovery of facts indicating misrepresentation, the commissioner must issue a determination of overpayment penalty assessing a penalty equal to 15 percent of the amount overpaid.

(c) Unless the applicant files an appeal within 30 calendar days after the sending of a determination of overpayment penalty to the applicant by mail or electronic transmission, the determination is final. Proceedings on the appeal are conducted in accordance with section 268B.08.

(d) A determination of overpayment penalty must state the methods of collection the commissioner may use to recover the overpayment, penalty, and interest assessed. Money received in repayment of overpaid benefits, penalties, and interest is first applied to the benefits overpaid, second to the penalty amount due, and third to any interest due.

(e) The department is authorized to issue a determination of overpayment penalty under this subdivision within 24 months of the establishment of the benefit account upon which the benefits were obtained through misrepresentation.

Subd. 3. **Theft.** (a) An individual is guilty of theft and must be sentenced under section 609.52 if the individual obtains, or attempts to obtain, or aids or abets any other individual to obtain, by an intentional false statement or representation, by intentional concealment of a material fact, or by impersonation or other fraudulent means, benefits to which the individual is not entitled under this chapter.

(b) Any employer, or any officer or agent of an employer, or any other individual has committed fraud and is guilty of a crime, if, in order to avoid or reduce any payment required from an employer under this chapter, to improperly secure a grant under section 268B.29, or to prevent or reduce the payment of benefits to an applicant, they:

(1) make a false statement or representation knowing it to be false;

(2) knowingly fail to disclose a material fact; or

(3) knowingly advise or assist an employer in violating clause (1) or (2).

The individual is guilty of a gross misdemeanor if the value of the fraudulent activity is \$500 or less. The individual is guilty of a felony if the value of the fraudulent activity exceeds \$500.

Subd. 4. **Interest.** For any family and medical leave benefits obtained by misrepresentation, and any penalty amounts assessed under subdivision 2, the commissioner must assess interest on any amount that remains unpaid beginning 30 calendar days after the date of a determination of overpayment penalty. Interest is assessed at the rate of six percent per year. A determination of overpayment penalty must state that interest will be assessed. Interest is not assessed on unpaid interest. Interest collected under this subdivision is credited to the family and medical benefit insurance account.

Subd. 5. **Offset of benefits.** The commissioner may offset from any future family and medical leave benefits otherwise payable the amount of an overpayment. No single offset may exceed 20 percent of the amount of the payment from which the offset is made.

Subd. 6. **Cancellation of overpayments.** (a) If family and medical leave benefits overpayments are not repaid or offset from subsequent benefits within three years after the date of the determination or decision holding the applicant overpaid, the commissioner must cancel the overpayment balance, and no administrative or legal proceedings may be used to enforce collection of those amounts.

(b) The commissioner may cancel at any time any overpayment, including penalties and interest that the commissioner determines is uncollectible because of death or bankruptcy.

Subd. 7. **Collection of overpayments.** (a) The commissioner has discretion regarding the recovery of any overpayment for reasons other than misrepresentation. Regardless of any law to the contrary, the commissioner is not required to refer any overpayment for reasons other than misrepresentation to a public or private collection agency, including agencies of this state.

(b) Amounts overpaid for reasons other than misrepresentation are not considered a "debt" to the state of Minnesota for purposes of any reporting requirements to the commissioner of management and budget.

(c) A pending appeal under section 268B.08 does not suspend the assessment of interest, penalties, or collection of an overpayment.

(d) Section 16A.626 applies to the repayment by an applicant of any overpayment, penalty, or interest.

Subd. 8. **Court fees; collection fees.** (a) If the department is required to pay any court fees in an attempt to enforce collection of overpaid benefits, penalties, or interest, the amount of the court fees may be added to the total amount due.

(b) If an applicant who has been overpaid benefits because of misrepresentation seeks to have any portion of the debt discharged under the federal bankruptcy code, and the department files an objection in bankruptcy court to the discharge, the cost of any court fees may be added to the debt if the bankruptcy court does not discharge the debt.

(c) If the Internal Revenue Service assesses a fee from the department for offsetting from a federal tax refund the amount of any overpayment, including penalties and interest, the amount of the fee may be added to the total amount due. The offset amount must be put in the family and medical benefit insurance account and that amount credited to the total amount due from the applicant.

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

Sec. 31. **[268B.19] EMPLOYER MISCONDUCT; PENALTY.**

(a) The commissioner must penalize an employer if that employer or any employee, officer, or agent of that employer is in collusion with any applicant for the purpose of assisting the applicant in receiving benefits fraudulently. The penalty is \$500 or the amount of benefits determined to be overpaid, whichever is greater.

(b) The commissioner must penalize an employer if that employer or any employee, officer, or agent of that employer:

(1) made a false statement or representation knowing it to be false;

(2) made a false statement or representation without a good-faith belief as to the correctness of the statement or representation; or

(3) knowingly failed to disclose a material fact.

(c) The penalty is the greater of \$500 or 50 percent of the following resulting from the employer's action:

(1) the amount of any overpaid benefits to an applicant;

(2) the amount of benefits not paid to an applicant that would otherwise have been paid; or

(3) the amount of any payment required from the employer under this chapter that was not paid.

(d) Penalties must be paid within 30 calendar days of issuance of the determination of penalty and credited to the family and medical benefit insurance account.

(e) The determination of penalty is final unless the employer files an appeal within 30 calendar days after the sending of the determination of penalty to the employer by United States mail or electronic transmission.

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

Sec. 32. **[268B.21] RECORDS; AUDITS.**

Subdivision 1. **Employer records; audits.** (a) Each employer must keep true and accurate records on individuals performing services for the employer, containing the information the commissioner may require under this chapter. The records must be kept for a period of not less than four years in addition to the current calendar year.

(b) For the purpose of administering this chapter, the commissioner has the power to audit, examine, or cause to be supplied or copied, any books, correspondence, papers, records, or memoranda that are the property of, or in the possession of, an employer or any other person at any reasonable time and as often as may be necessary. Subpoenas may be issued under section 268B.22 as necessary, for an audit.

(c) An employer or other person that refuses to allow an audit of its records by the department or that fails to make all necessary records available for audit in the state upon request of the commissioner may be assessed an administrative penalty of \$500. The penalty collected is credited to the family and medical benefit insurance account.

(d) An employer, or other person, that fails to provide a weekly breakdown of money earned by an applicant upon request of the commissioner, information necessary for the detection of applicant misrepresentation under section 268B.185, subdivision 2, may be assessed an administrative penalty of \$100. Any notice requesting a weekly breakdown must clearly state that a \$100 penalty may be assessed for failure to provide the information. The penalty collected is credited to the family and medical benefit insurance account.

Subd. 2. **Department records; destruction.** (a) The commissioner may make summaries, compilations, duplications, or reproductions of any records pertaining to this chapter that the commissioner considers advisable for the preservation of the information.

(b) Regardless of any law to the contrary, the commissioner may destroy any records that are no longer necessary for the administration of this chapter. In addition, the commissioner may destroy any record from which the information has been electronically captured and stored.

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

Sec. 33. [268B.22] SUBPOENAS; OATHS.

(a) The commissioner or hearing officer has authority to administer oaths and affirmations, take depositions, certify to official acts, and issue subpoenas to compel the attendance of individuals and the production of documents and other personal property necessary in connection with the administration of this chapter.

(b) Individuals subpoenaed, other than applicants or officers and employees of an employer that is the subject of the inquiry, are paid witness fees the same as witness fees in civil actions in district court. The fees need not be paid in advance.

(c) The subpoena is enforceable through the district court in Ramsey County.

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

Sec. 34. [268B.23] LIEN; LEVY; SETOFF; AND CIVIL ACTION.

Subdivision 1. **Lien.** (a) Any amount due under this chapter, from an applicant or an employer, becomes a lien upon all the property, within this state, both real and personal, of the person liable, from the date of assessment. For the purposes of this section, "date of assessment" means the date the obligation was due.

(b) The lien is not enforceable against any purchaser, mortgagee, pledgee, holder of a Uniform Commercial Code security interest, mechanic's lien, or judgment lien creditor, until a notice of lien has been filed with the county recorder of the county where the property is situated, or in the case of personal property belonging to a nonresident person in the Office of the Secretary of State. When the notice of lien is filed with the county recorder, the fee for filing and indexing is as provided in sections 272.483 and 272.484.

(c) Notices of liens, lien renewals, and lien releases, in a form prescribed by the commissioner, may be filed with the county recorder or the secretary of state by mail or personal delivery. The filing officer, whether the county recorder or the secretary of state, must endorse and index a printout of the notice as if the notice had been mailed or delivered.

(d) County recorders and the secretary of state must enter information on lien notices, renewals, and releases into their respective database system.

(e) The lien imposed on personal property, even though properly filed, is not enforceable against a purchaser of tangible personal property purchased at retail or personal property listed as exempt in sections 550.37, 550.38, and 550.39.

(f) A notice of lien filed has priority over any security interest arising under chapter 336, article 9, that is perfected prior in time to the lien imposed by this subdivision, but only if:

(1) the perfected security interest secures property not in existence at the time the notice of lien is filed; and

(2) the property comes into existence after the 45th calendar day following the day the notice of lien is filed, or after the secured party has actual notice or knowledge of the lien filing, whichever is earlier.

(g) The lien is enforceable from the time the lien arises and for ten years from the date of filing the notice of lien. A notice of lien may be renewed before expiration for an additional ten years.

(h) The lien is enforceable by levy under subdivision 2 or by judgment lien foreclosure under chapter 550.

(i) The lien may be imposed upon property defined as homestead property in chapter 510 but may be enforced only upon the sale, transfer, or conveyance of the homestead property.

(j) The commissioner may sell and assign to a third party the commissioner's right of redemption in specific real property for liens filed under this subdivision. The assignee is limited to the same rights of redemption as the commissioner, except that in a bankruptcy proceeding, the assignee does not obtain the commissioner's priority. Any proceeds from the sale of the right of redemption are credited to the family and medical benefit insurance account.

Subd. 2. Levy. (a) If any amount due under this chapter, from an applicant or an employer, is not paid when due, the amount may be collected by the commissioner by direct levy upon all property and rights of property of the person liable for the amount due except property exempt from execution under section 550.37. For the purposes of this section, "levy" includes the power of distraint and seizure by any means.

(b) In addition to a direct levy, the commissioner may issue a warrant to the sheriff of any county who must proceed within 60 calendar days to levy upon the property or rights to property of the delinquent person within the county, except property exempt under section 550.37. The sheriff must sell that property necessary to satisfy the total amount due, together with the commissioner's and sheriff's costs. The sales are governed by the law applicable to sales of like property on execution of a judgment.

(c) Notice and demand for payment of the total amount due must be mailed to the delinquent person at least ten calendar days before action being taken under paragraphs (a) and (b).

(d) If the commissioner has reason to believe that collection of the amount due is in jeopardy, notice and demand for immediate payment may be made. If the total amount due is not paid, the commissioner may proceed to collect by direct levy or issue a warrant without regard to the ten calendar day period.

(e) In executing the levy, the commissioner must have all of the powers provided in chapter 550 or any other law that provides for execution against property in this state. The sale of property levied upon and the time and manner of redemption is as provided in chapter 550. The seal of the court is not required. The levy may be made whether or not the commissioner has commenced a legal action for collection.

(f) Where any assessment has been made by the commissioner, the property seized for collection of the total amount due must not be sold until any determination of liability has become final. No sale may be made unless a portion of the amount due remains unpaid for a period of more than 30 calendar days after the determination of liability becomes final. Seized property may be sold at any time if:

(1) the delinquent person consents in writing to the sale; or

(2) the commissioner determines that the property is perishable or may become greatly reduced in price or value by keeping, or that the property cannot be kept without great expense.

(g) Where a levy has been made to collect the amount due and the property seized is properly included in a formal proceeding commenced under sections 524.3-401 to 524.3-505 and maintained under full supervision of the court, the property may not be sold until the probate proceedings are completed or until the court orders.

(h) The property seized must be returned if the owner:

(1) gives a surety bond equal to the appraised value of the owner's interest in the property, as determined by the commissioner; or

(2) deposits with the commissioner security in a form and amount the commissioner considers necessary to insure payment of the liability.

(i) If a levy or sale would irreparably injure rights in property that the court determines superior to rights of the state, the court may grant an injunction to prohibit the enforcement of the levy or to prohibit the sale.

(j) Any person who fails or refuses to surrender without reasonable cause any property or rights to property subject to levy is personally liable in an amount equal to the value of the property or rights not so surrendered, but not exceeding the amount due.

(k) If the commissioner has seized the property of any individual, that individual may, upon giving 48 hours notice to the commissioner and to the court, bring a claim for equitable relief before the district court for the release of the property upon terms and conditions the court considers equitable.

(l) Any person in control or possession of property or rights to property upon which a levy has been made who surrenders the property or rights to property, or who pays the amount due is discharged from any obligation or liability to the person liable for the amount due with respect to the property or rights to property.

(m) The notice of any levy may be served personally or by mail.

(n) The commissioner may release the levy upon all or part of the property or rights to property levied upon if the commissioner determines that the release will facilitate the collection of the liability, but the release does not prevent any subsequent levy. If the commissioner determines that property has been wrongfully levied upon, the commissioner must return:

(1) the specific property levied upon, at any time; or

(2) an amount of money equal to the amount of money levied upon, at any time before the expiration of nine months from the date of levy.

(o) Regardless of section 52.12, a levy upon a person's funds on deposit in a financial institution located in this state, has priority over any unexercised right of setoff of the financial institution to apply the levied funds toward the balance of an outstanding loan or loans owed by the person to the financial institution. A claim by the financial institution that it exercised its right to setoff before the levy must be substantiated by evidence of the date of the setoff, and verified by an affidavit from a corporate officer of the financial institution. For purposes of determining the priority of any levy under this subdivision, the levy is treated as if it were an execution under chapter 550.

Subd. 3. Right of setoff. (a) Upon certification by the commissioner to the commissioner of management and budget, or to any state agency that disburses its own funds, that a person, applicant, or employer has a liability under this chapter, and that the state has purchased personal services, supplies, contract services, or property from that person, the commissioner of management and budget or the state agency must set off and pay to the commissioner an amount sufficient to satisfy the unpaid liability from funds appropriated for payment of the obligation of the state otherwise due the person. No amount may be set off from any funds exempt under section 550.37 or funds due an individual who receives assistance under chapter 256.

(b) All funds, whether general or dedicated, are subject to setoff.

(c) Regardless of any law to the contrary, the commissioner has first priority to setoff from any funds otherwise due from the department to a delinquent person.

Subd. 4. **Collection by civil action.** (a) Any amount due under this chapter, from an applicant or employer, may be collected by civil action in the name of the state of Minnesota. Civil actions brought under this subdivision must be heard as provided under section 16D.14. In any action, judgment must be entered in default for the relief demanded in the complaint without proof, together with costs and disbursements, upon the filing of an affidavit of default.

(b) Any person that is not a resident of this state and any resident person removed from this state, is considered to appoint the secretary of state as its agent for the acceptance of process in any civil action. The commissioner must file process with the secretary of state, together with a payment of a fee of \$15 and that service is considered sufficient service and has the same force and validity as if served personally within this state. Notice of the service of process, together with a copy of the process, must be sent by certified mail to the person's last known address. An affidavit of compliance with this subdivision, and a copy of the notice of service must be appended to the original of the process and filed in the court.

(c) No court filing fees, docketing fees, or release of judgment fees may be assessed against the state for actions under this subdivision.

Subd. 5. **Injunction forbidden.** No injunction or other legal action to prevent the determination, assessment, or collection of any amounts due under this chapter, from an applicant or employer, are allowed.

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

Sec. 35. **[268B.24] CONCILIATION SERVICES.**

The Department of Labor and Industry may offer conciliation services to employers and employees to resolve disputes concerning alleged violations of employment protections identified in section 268B.09.

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

Sec. 36. **[268B.25] ANNUAL REPORTS.**

(a) Beginning on or before January 1, 2027, the commissioner must annually report to the Department of Management and Budget and the house of representatives and senate committee chairs with jurisdiction over this chapter on program administrative expenditures and revenue collection for the prior fiscal year, including but not limited to:

(1) total revenue raised through premium collection;

(2) the number of self-employed individuals or independent contractors electing coverage under section 268B.11 and amount of associated revenue;

(3) the number of covered business entities paying premiums under this chapter and associated revenue;

(4) administrative expenditures including transfers to other state agencies expended in the administration of the chapter;

- (5) summary of contracted services expended in the administration of this chapter;
 - (6) grant amounts and recipients under sections 268B.18 and 268B.29;
 - (7) an accounting of required outreach expenditures;
 - (8) summary of private plan approvals including the number of employers and employees covered under private plans; and
 - (9) adequacy and use of the private plan approval and oversight fee.
- (b) Beginning on or before January 1, 2027, the commissioner must annually publish a publicly available report providing the following information for the previous fiscal year:
- (1) total eligible claims;
 - (2) the number and percentage of claims attributable to each category of benefit;
 - (3) claimant demographics by age, race or ethnicity, gender, average weekly wage, occupation, and the type of leave taken;
 - (4) the percentage of claims denied and the reasons therefor, including but not limited to insufficient information and ineligibility and the reason therefor;
 - (5) average weekly benefit amount paid for all claims and by category of benefit;
 - (6) changes in the benefits paid compared to previous fiscal years;
 - (7) processing times for initial claims processing, initial determinations, and final decisions;
 - (8) average duration for cases completed;
 - (9) the number of cases remaining open at the close of such year; and
 - (10) the employers who received approval by the department for seasonal employee classification and the number of seasonal employees approved for each year.

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

Sec. 37. [268B.26] NOTICE REQUIREMENTS.

(a) Each employer must post in a conspicuous place on each of its premises a workplace notice prepared by the commissioner providing notice of benefits available under this chapter. The required workplace notice must be in English and each language other than English which is the primary language of five or more employees or independent contractors of that workplace, if such notice is available from the department.

(b) Each employer must issue to each employee not more than 30 days from the beginning date of the employee's employment, or 30 days before premium collection begins, whichever is later, the following written information provided by the department in the primary language of the employee:

(1) an explanation of the availability of family and medical leave benefits provided under this chapter, including rights to reinstatement and continuation of health insurance;

(2) the amount of premium deductions made by the employer under this chapter;

(3) the employer's premium amount and obligations under this chapter;

(4) the name and mailing address of the employer;

(5) the identification number assigned to the employer by the department;

(6) instructions on how to file a claim for family and medical leave benefits;

(7) the mailing address, e-mail address, and telephone number of the department; and

(8) any other information required by the department.

Delivery is made when an employee provides written or electronic acknowledgment of receipt of the information, or signs a statement indicating the employee's refusal to sign such acknowledgment.

(c) An employer that fails to comply with this section may be issued, for a first violation, a civil penalty of \$50 per employee, and for each subsequent violation, a civil penalty of \$300 per employee. The employer shall have the burden of demonstrating compliance with this section.

(d) Employer notice to an employee under this section may be provided in paper or electronic format. For notice provided in electronic format only, the employer must provide employee access to an employer-owned computer during an employee's regular working hours to review and print required notices.

(e) The department shall prepare a uniform employee notice form for employers to use that provides the notice information required under this section. The commissioner shall prepare the uniform employee notice in the five most common languages spoken in Minnesota.

(f) Each employer who employs or intends to employ seasonal employees as defined in section 268B.01, subdivision 35, must issue to each seasonal employee a notice that the employee is not eligible to receive paid family and medical leave benefits while the employee is so employed. The notice must be provided at the time an employment offer is made, or within 30 days of the effective date of this section for the employer's existing seasonal employees, and be in a form provided by the department. Delivery is made when an employee provides written or electronic acknowledgment of receipt of the information, or signs a statement indicating the employee's refusal to sign such acknowledgment.

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

Sec. 38. [268B.27] RELATIONSHIP TO OTHER LEAVE; CONSTRUCTION.

Subdivision 1. **Concurrent leave.** An employer may require leave taken under this chapter to run concurrently with leave taken for the same purpose under section 181.941 or the Family and Medical Leave Act, United States Code, title 29, sections 2601 to 2654, as amended.

Subd. 2. **Construction.** Nothing in this chapter shall be construed to:

(1) allow an employer to compel an employee to exhaust accumulated sick, vacation, or personal time before or while taking leave under this chapter;

(2) prohibit an employer from providing additional benefits, including but not limited to covering the portion of earnings not provided during periods of leave covered under this chapter including through a supplemental benefit payment, as defined under section 268B.01, subdivision 41;

(3) limit the parties to a collective bargaining agreement from bargaining and agreeing with respect to leave benefits and related procedures and employee protections that meet or exceed, and do not otherwise conflict with, the minimum standards and requirements in this chapter; or

(4) be applied so as to create any power or duty in conflict with federal law.

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

Sec. 39. **[268B.28] SEVERABLE.**

If the United States Department of Labor or a court of competent jurisdiction determines that any provision of the family and medical benefit insurance program under this chapter is not in conformity with, or is inconsistent with, the requirements of state or federal law, the provision has no force or effect. If only a portion of the provision, or the application to any person or circumstances, is determined not in conformity, or determined inconsistent, the remainder of the provision and the application of the provision to other persons or circumstances are not affected.

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

Sec. 40. **[268B.29] SMALL BUSINESS ASSISTANCE GRANTS.**

(a) Employers with 30 or fewer employees and less than \$3,000,000 in gross annual revenues may apply to the department for grants under this section.

(b) The commissioner may approve a grant of up to \$3,000 if the employer hires a temporary worker, or increases another existing worker's wages, to substitute for an employee on family or medical leave for a period of seven days or more.

(c) The maximum total grant per eligible employer in a calendar year is \$6,000.

(d) Grants must be used to hire temporary workers or to increase wages for current employees. To be eligible for consideration for a grant under this section, the employer must documentation attest, in a manner and format prescribed by the commissioner, that:

(1) the temporary worker hired or wage-related costs incurred are due to an employee's use of leave under this chapter;

(2) the amount of the grant requested is less than or equal to the additional costs incurred by the employer; and

(3) the employer meets the revenue requirements in paragraph (a).

(e) Applications shall be processed on a first-received, first-processed basis within each calendar year until funding is exhausted. Applications received after funding has been exhausted in a calendar year are not eligible for reimbursement.

(f) For the purposes of this section, the commissioner shall average the number of employees reported by an employer over the last four completed calendar quarters as submitted in the wage detail records required in section 268B.12 to determine the size of the employer.

(g) An employer who has an approved private plan is not eligible to receive a grant under this section.

(h) Unless additional funds are appropriated, the commissioner may award grants under this section up to a maximum of \$5,000,000 per calendar year from the family and medical benefit insurance account.

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

Sec. 41. **ACTUARIAL STUDY.**

(a) The commissioner of employment and economic development must contract with a qualified independent actuarial consultant to conduct an actuarial study of the family and medical leave premium rate, premium rate structure, weekly benefit formula, duration of benefits, fund reserve, and other components as necessary to determine an actuarially sound rate and future rate-setting mechanism of the family and medical benefit insurance program created in this act.

(b) A qualified independent actuarial consultant is one who is a Fellow of the Society of Actuaries (FSA) and a Member of the American Academy of Actuaries (MAAA) and who has experience directly relevant to the analysis required under this paragraph. The commissioner must issue a request for proposal to satisfy the requirements of this section no later than 30 days following enactment.

(c) If the actuarial study indicates that the premium rate in Minnesota Statutes, section 268B.14, subdivision 7, is not actuarially sound, the commissioner, in consultation with the commissioner of management and budget, must adjust the premium rate to make the program actuarially sound, subject to the limitations in Minnesota Statutes, section 268B.14, subdivision 7, paragraph (b).

(d) A copy of the actuarial study must be provided to the majority and minority leaders in the senate and the house of representatives no later than October 31, 2023. The actuarial study must also be filed with the Legislative Reference Library in compliance with Minnesota Statutes, section 3.195.

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

Sec. 42. **APPLICATION.**

Family and medical benefits under Minnesota Statutes, chapter 268B, may be paid for starting January 1, 2026.

ARTICLE 2**FAMILY AND MEDICAL LEAVE BENEFIT AS EARNINGS**

Section 1. Minnesota Statutes 2022, section 256B.057, subdivision 9, is amended to read:

Subd. 9. **Employed persons with disabilities.** (a) Medical assistance may be paid for a person who is employed and who:

(1) but for excess earnings or assets, meets the definition of disabled under the Supplemental Security Income program;

(2) meets the asset limits in paragraph (d); and

(3) pays a premium and other obligations under paragraph (e).

(b) For purposes of eligibility, there is a \$65 earned income disregard. To be eligible for medical assistance under this subdivision, a person must have more than \$65 of earned income, be receiving an unemployment insurance benefit under chapter 268 that the person began receiving while eligible under this subdivision, or be receiving family and medical leave benefits under chapter 268B that the person began receiving while eligible under this subdivision. Earned income must have Medicare, Social Security, and applicable state and federal taxes withheld. The person must document earned income tax withholding. Any spousal income or assets shall be disregarded for purposes of eligibility and premium determinations.

(c) After the month of enrollment, a person enrolled in medical assistance under this subdivision who would otherwise be ineligible and be disenrolled due to one of the following circumstances may retain eligibility for up to four consecutive months after a month of job loss if the person:

(1) is temporarily unable to work and without receipt of earned income due to a medical condition, as verified by a physician, advanced practice registered nurse, or physician assistant; or

(2) loses employment for reasons not attributable to the enrollee, and is without receipt of earned income ~~may retain eligibility for up to four consecutive months after the month of job loss.~~

To receive a four-month extension of continued eligibility under this paragraph, enrollees must verify the medical condition or provide notification of job loss, continue to meet all other eligibility requirements must be met, and ~~the enrollee must~~ continue to pay all calculated premium costs ~~for continued eligibility.~~

(d) For purposes of determining eligibility under this subdivision, a person's assets must not exceed \$20,000, excluding:

(1) all assets excluded under section 256B.056;

(2) retirement accounts, including individual accounts, 401(k) plans, 403(b) plans, Keogh plans, and pension plans;

(3) medical expense accounts set up through the person's employer; and

(4) spousal assets, including spouse's share of jointly held assets.

(e) All enrollees must pay a premium to be eligible for medical assistance under this subdivision, except as provided under clause (5).

(1) An enrollee must pay the greater of a \$35 premium or the premium calculated based on the person's gross earned and unearned income and the applicable family size using a sliding fee scale established by the commissioner, which begins at one percent of income at 100 percent of the federal poverty guidelines and increases to 7.5 percent of income for those with incomes at or above 300 percent of the federal poverty guidelines.

(2) Annual adjustments in the premium schedule based upon changes in the federal poverty guidelines shall be effective for premiums due in July of each year.

(3) All enrollees who receive unearned income must pay one-half of one percent of unearned income in addition to the premium amount, except as provided under clause (5).

(4) Increases in benefits under title II of the Social Security Act shall not be counted as income for purposes of this subdivision until July 1 of each year.

(5) Effective July 1, 2009, American Indians are exempt from paying premiums as required by section 5006 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5. For purposes of this clause, an American Indian is any person who meets the definition of Indian according to Code of Federal Regulations, title 42, section 447.50.

(f) A person's eligibility and premium shall be determined by the local county agency. Premiums must be paid to the commissioner. All premiums are dedicated to the commissioner.

(g) Any required premium shall be determined at application and redetermined at the enrollee's six-month income review or when a change in income or household size is reported. Enrollees must report any change in income or household size within ten days of when the change occurs. A decreased premium resulting from a reported change in income or household size shall be effective the first day of the next available billing month after the change is reported. Except for changes occurring from annual cost-of-living increases, a change resulting in an increased premium shall not affect the premium amount until the next six-month review.

(h) Premium payment is due upon notification from the commissioner of the premium amount required. Premiums may be paid in installments at the discretion of the commissioner.

(i) Nonpayment of the premium shall result in denial or termination of medical assistance unless the person demonstrates good cause for nonpayment. "Good cause" means an excuse for the enrollee's failure to pay the required premium when due because the circumstances were beyond the enrollee's control or not reasonably foreseeable. The commissioner shall determine whether good cause exists based on the weight of the supporting evidence submitted by the enrollee to demonstrate good cause. Except when an installment agreement is accepted by the commissioner, all persons disenrolled for nonpayment of a premium must pay any past due premiums as well as current premiums due prior to being reenrolled. Nonpayment shall include payment with a returned, refused, or dishonored instrument. The commissioner may require a guaranteed form of payment as the only means to replace a returned, refused, or dishonored instrument.

(j) For enrollees whose income does not exceed 200 percent of the federal poverty guidelines and who are also enrolled in Medicare, the commissioner shall reimburse the enrollee for Medicare part B premiums under section 256B.0625, subdivision 15, paragraph (a).

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

Sec. 2. Minnesota Statutes 2022, section 256J.561, is amended by adding a subdivision to read:

Subd. 4. Parents receiving family and medical leave benefits. A parent who meets the criteria under subdivision 2 and who receives benefits under chapter 268B is not required to participate in employment services.

Sec. 3. Minnesota Statutes 2022, section 256J.95, subdivision 3, is amended to read:

Subd. 3. Eligibility for diversionary work program. (a) Except for the categories of family units listed in clauses (1) to ~~(8)~~ (9), all family units who apply for cash benefits and who meet MFIP eligibility as required in sections 256J.11 to 256J.15 are eligible and must participate in the diversionary work program. Family units or individuals that are not eligible for the diversionary work program include:

- (1) child only cases;
- (2) single-parent family units that include a child under 12 months of age. A parent is eligible for this exception once in a parent's lifetime;
- (3) family units with a minor parent without a high school diploma or its equivalent;
- (4) family units with an 18- or 19-year-old caregiver without a high school diploma or its equivalent who chooses to have an employment plan with an education option;
- (5) family units with a caregiver who received DWP benefits within the 12 months prior to the month the family applied for DWP, except as provided in paragraph (c);
- (6) family units with a caregiver who received MFIP within the 12 months prior to the month the family applied for DWP;
- (7) family units with a caregiver who received 60 or more months of TANF assistance; ~~and~~
- (8) family units with a caregiver who is disqualified from the work participation cash benefit program, DWP, or MFIP due to fraud; and
- (9) single-parent family units where a parent is receiving family and medical leave benefits under chapter 268B.

(b) A two-parent family must participate in DWP unless both caregivers meet the criteria for an exception under paragraph (a), clauses (1) through (5), or the family unit includes a parent who meets the criteria in paragraph (a), clause (6), (7), or (8).

(c) Once DWP eligibility is determined, the four months run consecutively. If a participant leaves the program for any reason and reapplies during the four-month period, the county must redetermine eligibility for DWP.

Sec. 4. Minnesota Statutes 2022, section 256J.95, subdivision 11, is amended to read:

Subd. 11. **Universal participation required.** (a) All DWP caregivers, except caregivers who meet the criteria in paragraph (d), are required to participate in DWP employment services. Except as specified in paragraphs (b) and (c), employment plans under DWP must, at a minimum, meet the requirements in section 256J.55, subdivision 1.

(b) A caregiver who is a member of a two-parent family that is required to participate in DWP who would otherwise be ineligible for DWP under subdivision 3 may be allowed to develop an employment plan under section 256J.521, subdivision 2, that may contain alternate activities and reduced hours.

(c) A participant who is a victim of family violence shall be allowed to develop an employment plan under section 256J.521, subdivision 3. A claim of family violence must be documented by the applicant or participant by providing a sworn statement which is supported by collateral documentation in section 256J.545, paragraph (b).

(d) One parent in a two-parent family unit ~~that has a natural born child under 12 months of age is not required to have an employment plan until the child reaches 12 months of age unless the family unit has already used the exclusion under section 256J.561, subdivision 3, or the previously allowed child under age one exemption under section 256J.56, paragraph (a), clause (5). if that parent:~~

(1) receives family and medical leave benefits under chapter 268B; or

(2) has a natural born child under 12 months of age until the child reaches 12 months of age unless the family unit has already used the exclusion under section 256J.561, subdivision 3, or the previously allowed child under age one exemption under section 256J.56, paragraph (a), clause (5).

(e) The provision in paragraph (d) ends the first full month after the child reaches 12 months of age. This provision is allowable only once in a caregiver's lifetime. In a two-parent household, only one parent shall be allowed to use this category.

(f) The participant and job counselor must meet in the month after the month the child reaches 12 months of age to revise the participant's employment plan. The employment plan for a family unit that has a child under 12 months of age that has already used the exclusion in section 256J.561 must be tailored to recognize the caregiving needs of the parent.

Sec. 5. Minnesota Statutes 2022, section 256P.01, subdivision 3, is amended to read:

Subd. 3. **Earned income.** "Earned income" means income earned through the receipt of wages, salary, commissions, bonuses, tips, gratuities, profit from employment activities, net profit from self-employment activities, payments made by an employer for regularly accrued vacation or sick leave, severance pay based on accrued leave time, benefits paid under chapter 268B, royalties, honoraria, or other profit from activity that results from the client's work, effort, or labor for purposes

other than student financial assistance, rehabilitation programs, student training programs, or service programs such as AmeriCorps. The income must be in return for, or as a result of, legal activity.

Sec. 6. **EFFECTIVE DATE.**

Sections 1 to 5 are effective January 1, 2026.

ARTICLE 3

APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the family and medical benefit insurance account under Minnesota Statutes, section 268B.02, subdivision 4, 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>DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT</u>	<u>\$ 50,938,000</u>	<u>\$ 71,357,000</u>

This amount is for the purposes of Minnesota Statutes, chapter 268B, including start-up and information technology costs, administration, and outreach.

The base from the family and medical benefit insurance account for fiscal year 2026 is \$40,544,000 and for fiscal year 2027 is \$5,000,000.

Sec. 3. <u>DEPARTMENT OF LABOR AND INDUSTRY</u>	<u>\$ 601,000</u>	<u>\$ 374,000</u>
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This amount is for the purposes of Minnesota Statutes, chapter 268B.

The base from the family and medical benefit insurance account for fiscal year 2026 is \$366,000 and for fiscal year 2027 is \$0.

Sec. 4. <u>DEPARTMENT OF COMMERCE</u>	<u>\$</u>	<u>376,000</u>	<u>\$</u>	<u>316,000</u>
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This amount is for the purposes of Minnesota Statutes, chapter 268B.

The base from the family and medical benefit insurance account for fiscal year 2026 is \$64,000 and for fiscal year 2027 is \$0.

Sec. 5. <u>MINNESOTA MANAGEMENT AND BUDGET</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>118,000</u>
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This amount is for the purposes of Minnesota Statutes, chapter 268B.

The base from the family and medical benefit insurance account for fiscal year 2026 and beyond is \$45,000.

Sec. 6. <u>DEPARTMENT OF HUMAN SERVICES</u>	<u>\$</u>	<u>2,649,000</u>	<u>\$</u>	<u>-0-</u>
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This amount is for the purposes of Minnesota Statutes, chapter 268B.

The base from the family and medical benefit insurance account for fiscal year 2026 and beyond is \$530,000.

Sec. 7. <u>SECRETARY OF STATE</u>	<u>\$</u>	<u>384,000</u>	<u>\$</u>	<u>4,000</u>
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This amount is for the purposes of Minnesota Statutes, chapter 268B.

The base from the family and medical benefit insurance account for fiscal year 2026 and beyond is \$77,000.

Sec. 8. <u>SUPREME COURT.</u>	<u>\$</u>	<u>15,000</u>	<u>\$</u>	<u>15,000</u>
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This amount is for the purposes of Minnesota Statutes, chapter 268B. This is a onetime appropriation.

Sec. 9. **LEGISLATURE.** \$ -0- \$ 18,000

This amount is for the purposes of Minnesota Statutes, chapter 268B. This is a onetime appropriation.

Sec. 10. **UNIVERSITY OF MINNESOTA.** \$ -0- \$ 1,372,000

This amount is for the purposes of Minnesota Statutes, chapter 268B. This is a onetime appropriation.

Sec. 11. **DIRECT CARE PROVIDER PREMIUMS THROUGH HCBS WORKFORCE INCENTIVE FUND.**

(a) \$20,000,000 in fiscal year 2026 is added to the base appropriation from the family and medical benefit account to the commissioner of human services to provide reimbursement for premiums incurred for the paid family and medical leave program under this chapter. Funds shall be administered through the home and community-based workforce incentive fund under Minnesota Statutes, section 256.4764.

(b) The commissioner of employment and economic development shall share premium payment data collected under this chapter to assist the commissioner of human services in the verification process of premiums paid under this section.

(c) This amount is for the purposes of Minnesota Statutes, section 256.4764. This is a one-time appropriation and is available until June 30, 2027.

Sec. 12. **TRANSFER.**

The commissioner of management and budget shall transfer \$668,321,000 in fiscal year 2024 from the general fund to the family and medical benefit insurance account for the purposes of Minnesota Statutes, chapter 268B.

Sec. 13. **ENTERPRISE COSTS BASE ESTABLISHMENT.**

A general fund base of \$3,049,000 in fiscal year 2026 and \$3,049,000 in fiscal year 2027 are established. Of this amount, \$35,000 each year is to fund enterprise requirements under Minnesota Statutes, chapter 268B, employee notification, and \$3,014,000 each year is to fund the costs incurred by state agencies due to employer-paid premiums established under Minnesota Statutes, chapter 268B. The commissioner of management and budget shall allocate these amounts to agency base budgets based on the expected costs incurred by those agencies."

Renumber the sections in sequence and correct internal references

Delete the title and insert:

"A bill for an act relating to state government; providing for paid family, bonding, and applicant's serious medical condition benefits; regulating and requiring certain employment leaves; authorizing

income tax withholdings and imposing taxes; authorizing penalties; classifying data; authorizing rulemaking; requiring an actuarial report; appropriating money; amending Minnesota Statutes 2022, sections 13.719, by adding a subdivision; 62A.01, subdivision 1; 177.27, subdivision 4; 181.032; 256B.057, subdivision 9; 256B.0659, subdivision 18; 256B.85, subdivisions 13, 13a; 256J.561, by adding a subdivision; 256J.95, subdivisions 3, 11; 256P.01, subdivision 3; 268.19, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 268B."

We request the adoption of this report and repassage of the bill.

House Conferees: Ruth Richardson, Heather Edelson, Carlie Kotyza-Witthuhn

Senate Conferees: Alice Mann, Erin Maye Quade, Robert Kupec

Senator Maye Quade moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Senator Draheim moved that the recommendations and Conference Committee Report on H.F. No. 2 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration.

The question was taken on the adoption of the Draheim motion.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

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	
Drazkowski	Howe	Limmer	Rasmusson	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Coleman.

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 Morrison cast the negative vote on behalf of the following Senators: Boldon, Klein, Mann, McEwen, Murphy, Putnam, Rest, and Wiklund.

The motion did not prevail.

The question recurred on the adoption of the Maye Quade motion.

The roll was called, and there were yeas 34 and nays 32, 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 Morrison cast the affirmative vote on behalf of the following Senators: Boldon, Klein, Mann, McEwen, Murphy, Putnam, Rest, and Wiklund.

Those who voted in the negative were:

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	
Drazkowski	Howe	Limmer	Rasmusson	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Coleman.

The motion prevailed. So the recommendations and Conference Committee report were adopted.

H.F. No. 2 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 34 and nays 32, 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 Morrison cast the affirmative vote on behalf of the following Senators: Boldon, Klein, Mann, McEwen, Murphy, Putnam, Rest, and Wiklund.

Those who voted in the negative were:

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	
Drazkowski	Howe	Limmer	Rasmusson	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Coleman and Rasmusson.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

RECESS

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

After a brief recess, the presider, Senator Frentz, called the Senate to order.

CALL OF THE SENATE

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2310, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2310 is herewith transmitted to the Senate.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted May 18, 2023

CONFERENCE COMMITTEE REPORT ON H. F. No. 2310

A bill for an act relating to state government; appropriating money for environment, natural resources, climate, and energy; modifying prior appropriations; providing for and modifying disposition of certain receipts; modifying and establishing duties, authorities, and prohibitions regarding environment and natural resources; modifying and creating environment and natural resources programs; modifying and creating grant programs; reestablishing Legislative Water Commission; modifying Legislative-Citizen Commission on Minnesota Resources; modifying permit and environmental review requirements; modifying requirements for recreational vehicles; modifying state trail and state park provisions; establishing Lowland Conifer Carbon Reserve; modifying forestry provisions; modifying game and fish provisions; modifying regulation of farmed Cervidae; regulating certain seeds and pesticides; modifying Water Law; providing appointments; modifying and providing for fees; establishing a biennial budget for Department of Commerce, Public Utilities Commission, and energy, climate, and clean energy activities; establishing and modifying provisions governing energy, clean and renewable energy, energy storage, energy use and conservation, and utility regulation; providing for enhanced transportation electrification; adding and modifying provisions governing Public Utilities Commission proceedings; establishing various clean and

renewable energy grant programs; making technical changes; requiring reports; requiring rulemaking; amending Minnesota Statutes 2022, sections 13.643, subdivision 6; 16A.151, subdivision 2; 16A.152, subdivision 2; 16B.325; 16B.58, by adding a subdivision; 16C.135, subdivision 3; 16C.137, subdivision 1; 17.118, subdivision 2; 18B.01, subdivision 31; 18B.09, subdivision 2, by adding a subdivision; 21.82, subdivision 3; 21.86, subdivision 2; 35.155, subdivisions 1, 4, 10, 11, 12, by adding subdivisions; 35.156, subdivision 2, by adding subdivisions; 84.02, by adding a subdivision; 84.0274, subdivision 6; 84.0276; 84.415, subdivisions 3, 6, 7, by adding a subdivision; 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; 84.90, subdivision 7; 84.992, subdivisions 2, 5; 84D.02, subdivision 3; 84D.10, subdivision 3; 84D.15, subdivision 2; 85.015, subdivision 10; 85.052, subdivision 6; 85.055, subdivision 1; 85A.01, subdivision 1; 86B.005, by adding a subdivision; 86B.313, subdivision 4; 86B.415, subdivisions 1, 1a, 2, 3, 4, 5, 7; 89A.03, subdivision 5; 90.181, subdivision 2; 97A.015, subdivision 51, by adding a subdivision; 97A.031; 97A.126; 97A.137, subdivision 3; 97A.315, subdivision 1; 97A.401, subdivision 1, by adding a subdivision; 97A.405, subdivision 5; 97A.421, subdivision 3; 97A.473, subdivisions 2, 2a, 2b, 5, 5a; 97A.474, subdivision 2; 97A.475, subdivisions 6, 7, 8, 10, 10a, 11, 12, 13, 41; 97B.031, subdivision 1; 97B.071; 97B.301, subdivision 6; 97B.516; 97B.645, subdivision 9; 97B.668; 97C.087, subdivision 2; 97C.315, subdivision 1; 97C.345, subdivision 1; 97C.355, by adding a subdivision; 97C.371, subdivisions 1, 2, 4; 97C.395, subdivision 1; 97C.601, subdivision 1; 97C.605, subdivisions 1, 2c, 3; 97C.611; 97C.836; 103B.101, subdivisions 2, 9, 16, by adding a subdivision; 103B.103; 103C.501, subdivisions 1, 4, 5, 6, by adding a subdivision; 103D.605, subdivision 5; 103F.505; 103F.511, by adding subdivisions; 103G.005, by adding subdivisions; 103G.2242, subdivision 1; 103G.271, subdivision 6; 103G.287, subdivisions 2, 3; 103G.299, subdivisions 1, 2, 5, 10; 103G.301, subdivisions 2, 6, 7; 115.01, by adding subdivisions; 115.03, subdivision 1, by adding a subdivision; 115.061; 115A.03, by adding a subdivision; 115A.1415; 115A.565, subdivisions 1, 3; 115B.17, subdivision 14; 115B.171, subdivision 3; 115B.52, subdivision 4; 116.06, subdivision 1, by adding subdivisions; 116.07, subdivision 6, by adding subdivisions; 116C.03, subdivision 2a; 116C.779, subdivision 1; 116C.7792; 116P.05, subdivisions 1, 1a, 2; 116P.09, subdivision 6; 116P.11; 116P.15; 116P.16; 116P.18; 168.1295, subdivision 1; 168.27, by adding a subdivision; 171.07, by adding a subdivision; 216B.096, subdivision 11; 216B.1611, by adding a subdivision; 216B.164, by adding a subdivision; 216B.1641; 216B.1645, subdivision 4; 216B.17, subdivision 1; 216B.2402, subdivision 16; 216B.2422, subdivision 7; 216B.2425, subdivision 3; 216B.243, subdivision 8, as amended; 216B.50, subdivision 1; 216B.62, subdivision 3b; 216C.05, subdivision 2; 216C.08; 216C.09; 216C.264, subdivision 5, by adding subdivisions; 216C.375; 216E.01, subdivision 6, by adding a subdivision; 216E.03, subdivisions 1, 3, 5, as amended, 6, 7, as amended; 216E.04, subdivision 2, as amended; 216E.05, subdivision 2; 216E.06; 216E.07; 216E.10; 216H.02, subdivision 1; 237.55; 297A.94; 325E.046; 325F.072, subdivisions 1, 3, by adding a subdivision; 326B.106, subdivision 1; 373.475; 515B.2-103; 515B.3-102; Laws 2005, chapter 97, article 10, section 3, as amended; Laws 2022, chapter 94, section 2, subdivisions 5, 8, 9; proposing coding for new law in Minnesota Statutes, chapters 3; 16B; 18B; 21; 84; 86B; 88; 97A; 97B; 97C; 103B; 103E; 103F; 103G; 115A; 116; 116C; 116P; 123B; 216B; 216C; 325E; 473; 500; repealing Minnesota Statutes 2022, sections 16B.24, subdivision 13; 84.033, subdivision 3; 84.944, subdivision 3; 86B.101; 86B.305; 86B.313, subdivisions 2, 3; 97A.145, subdivision 2; 97C.605, subdivisions 2, 2a, 2b, 5; 103C.501, subdivisions 2, 3; 115.44, subdivision 9; 116.011; 216B.16, subdivision 10; 216C.376; 325E.389; 325E.3891; Minnesota Rules, parts 6100.5000, subparts 3, 4, 5; 6100.5700, subpart 4; 6115.1220, subpart 8; 6256.0500, subparts 2, 2a, 2b, 4, 5, 6, 7, 8; 8400.0500; 8400.0550; 8400.0600, subparts 4, 5; 8400.0900, subparts 1, 2, 4, 5; 8400.1650; 8400.1700; 8400.1750; 8400.1800; 8400.1900.

May 17, 2023

The Honorable Melissa Hortman
Speaker of the House of Representatives

The Honorable Bobby Joe Champion
President of the Senate

We, the undersigned conferees for H. F. No. 2310 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2310 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS

Section 1. **ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "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.

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

Sec. 2. **POLLUTION CONTROL AGENCY**

Subdivision 1. Total Appropriation **\$** **305,345,000** **\$** **229,638,000**

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>179,534,000</u>	<u>100,098,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>85,000</u>	<u>90,000</u>
<u>Environmental</u>	<u>106,055,000</u>	<u>109,203,000</u>
<u>Remediation</u>	<u>19,671,000</u>	<u>20,247,000</u>

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

The commissioner must present the agency's biennial budget for fiscal years 2026 and 2027 to the legislature in a transparent way by agency division, including the proposed budget bill and presentations of the budget to committees and divisions with jurisdiction over the agency's budget.

Subd. 2. Environmental Analysis and Outcomes 79,311,000 72,785,000

	<u>Appropriations by Fund</u>	
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>60,103,000</u>	<u>53,047,000</u>
<u>Environmental</u>	<u>18,959,000</u>	<u>19,533,000</u>
<u>Remediation</u>	<u>249,000</u>	<u>205,000</u>

(a) \$122,000 the first year and \$125,000 the second year are from the general fund for:

(1) a municipal liaison to assist municipalities in implementing and participating in the rulemaking process for water quality standards and navigating the NPDES/SDS permitting process;

(2) enhanced economic analysis in the rulemaking process for water quality standards, including more-specific analysis and identification of cost-effective permitting;

(3) developing statewide economic analyses and templates to reduce the amount of information and time required for municipalities to apply for variances from water quality standards; and

(4) coordinating with the Public Facilities Authority to identify and advocate for the resources needed for urban, suburban, and Greater Minnesota municipalities to achieve permit requirements.

(b) \$216,000 the first year and \$219,000 the second year are from the environmental fund

for a monitoring program under Minnesota Statutes, section 116.454.

(c) \$132,000 the first year and \$137,000 the second year are for monitoring water quality and operating assistance programs.

(d) \$390,000 the first year and \$399,000 the second year are from the environmental fund for monitoring ambient air for hazardous pollutants.

(e) \$106,000 the first year and \$109,000 the second year are from the environmental fund for duties related to harmful chemicals in children's products under Minnesota Statutes, sections 116.9401 to 116.9407. Of this amount, \$68,000 the first year and \$70,000 the second year are transferred to the commissioner of health.

(f) \$128,000 the first year and \$132,000 the second year are from the environmental fund for registering wastewater laboratories.

(g) \$1,492,000 the first year and \$1,519,000 the second year are from the environmental fund to continue perfluorochemical biomonitoring in eastern metropolitan communities, as recommended by the Environmental Health Tracking and Biomonitoring Advisory Panel, and to address other environmental health risks, including air quality. The communities must include Hmong and other immigrant farming communities. Of this amount, up to \$1,226,000 the first year and \$1,248,000 the second year are for transfer to the commissioner of health.

(h) \$61,000 the first year and \$62,000 the second year are from the environmental fund for the listing procedures for impaired waters required under this act.

(i) \$72,000 the first year and \$74,000 the second year are from the remediation fund for the leaking underground storage tank

program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(j) \$500,000 the first year is to facilitate the collaboration and modeling of greenhouse gas impacts, costs, and benefits of strategies to reduce statewide greenhouse gas emissions. This is a onetime appropriation.

(k) \$50,266,000 the first year and \$50,270,000 the second year are to establish and implement a local government climate resiliency and water infrastructure grant program for local governmental units and Tribal governments. Of this amount, \$49,100,000 each year is for grants to support communities in planning and implementing projects that will allow for adaptation for a changing climate. At least 40 percent of the money granted under this paragraph must be for projects in areas that meet environmental justice criteria. By December 30, 2027, the commissioner must submit a report on the use of grant money to the chairs and ranking minority members of the legislative committees with jurisdiction over environment and natural resources finance. This appropriation is available until June 30, 2027. The base for this appropriation in fiscal year 2026 and beyond is \$270,000.

(l) \$75,000 the first year is for a grant to the city of Fergus Falls to address water-quality concerns at Lake Alice.

(m) \$150,000 the first year is for a grant to Rice County to address water-quality concerns at French Lake.

(n) \$75,000 the first year is for a grant to Ramsey County to address water-quality concerns at Round Lake.

(o) Recipients of money appropriated in paragraphs (l), (m), and (n) may use the grants to contract for water-quality improvement services, testing, necessary infrastructure, training, and maintenance.

(p) \$2,070,000 the first year and \$2,070,000 the second year are from the environmental fund to develop and implement a program related to emerging issues, including *Minnesota's PFAS Blueprint*.

(q) \$1,820,000 the first year and \$1,820,000 the second year are from the environmental fund to support improved management of data collected by the agency and its partners and regulated parties to facilitate decision-making and public access.

(r) \$500,000 the first year is from the general fund for the report on firefighter turnout gear and biomonitoring required under this act. Of this amount, up to \$250,000 may be transferred to the commissioner of health for biomonitoring of firefighters.

(s) \$500,000 the first year is to develop protocols to be used by agencies and departments for sampling and testing groundwater, surface water, public drinking water, and private wells for microplastics and nanoplastics and to begin implementation. The commissioner of the Pollution Control Agency may transfer money appropriated under this paragraph to the commissioners of agriculture, natural resources, and health to implement the protocols developed. This is a onetime appropriation and is available until June 30, 2025.

(t) \$50,000 the first year is from the remediation fund for the work group on PFAS manufacturer fees and report required under this act.

(u) \$387,000 the first year and \$90,000 the second year are to develop and implement the requirements for fish kills under

Minnesota Statutes, sections 103G.216 and 103G.2165. Of this amount, up to \$331,000 the first year and \$90,000 the second year may be transferred to the commissioners of health, natural resources, agriculture, and public safety and to the Board of Regents of the University of Minnesota as necessary to implement those sections. The base for this appropriation for fiscal year 2026 and beyond is \$7,000.

(v) \$63,000 the first year and \$92,000 the second year are for transfer to the commissioner of health for amending the health risk limit for PFOS. This is a onetime appropriation and is available until June 30, 2026.

(w) \$5,000,000 the first year is for community air-monitoring grants as provided in this act. This is a onetime appropriation and is available until June 30, 2027.

(x) \$2,333,000 the first year and \$2,333,000 the second year are to adopt rules and implement air toxics emissions requirements under Minnesota Statutes, section 116.062. The general fund appropriations are onetime and are available until June 30, 2027. The base for this appropriation is \$0 in fiscal year 2026 and \$1,400,000 from the environmental fund in fiscal year 2027 and beyond.

Subd. 3. Industrial

45,214,000

26,929,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>26,415,000</u>	<u>7,475,000</u>
<u>Environmental</u>	<u>17,078,000</u>	<u>17,681,000</u>
<u>Remediation</u>	<u>1,721,000</u>	<u>1,773,000</u>

(a) \$1,621,000 the first year and \$1,670,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor

assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(b) \$448,000 the first year and \$457,000 the second year are from the environmental fund to further evaluate the use and reduction of trichloroethylene around Minnesota and identify its potential health effects on communities. Of this amount, \$145,000 the first year and \$149,000 the second year are transferred to the commissioner of health.

(c) \$4,000 the first year and \$4,000 the second year are from the environmental fund to purchase air emissions monitoring equipment to support compliance and enforcement activities.

(d) \$3,200,000 the first year and \$3,200,000 the second year are to provide air emission reduction grants. Of this amount, \$2,800,000 each year is for grants to reduce air pollution at regulated facilities within environmental justice areas of concern. This appropriation is available until June 30, 2027, and is a onetime appropriation.

(e) \$40,000 the first year and \$40,000 the second year are for air compliance equipment maintenance. This is a onetime appropriation.

(f) \$19,100,000 the first year and \$300,000 the second year are to support research on innovative technologies to treat difficult-to-manage pollutants and for implementation grants based on this research at taconite facilities. Of this amount, \$2,100,000 is for the Board of Regents of the University of Minnesota for academic and applied research through the MnDRIVE program at the Natural Resources Research Institute for research to foster economic development of the state's natural resources in an environmentally sound manner and \$16,700,000 is for grants. This appropriation is onetime and is available until June 30, 2027.

(g) \$280,000 the first year and \$140,000 the second year are from the general fund for the purposes of the public informational meeting requirements under Minnesota Statutes, section 116.07, subdivision 4m. The general fund appropriations are onetime and are available until June 30, 2027. The base for this appropriation in fiscal year 2026 is \$0 and the base for fiscal year 2027 is \$140,000 from the environmental fund.

(h) \$250,000 the first year and \$250,000 the second year are for rulemaking and implementation of the odor management requirements under Minnesota Statutes, section 116.064.

(i) \$2,457,000 the first year and \$2,457,000 the second year are from the general fund for implementation of the environmental justice, cumulative impact analysis and other requirements under Minnesota Statutes, section 116.065. The general fund appropriations are onetime and are available until June 30, 2028. The base for this appropriation in fiscal year 2026 is \$0 and the base for fiscal year 2027 is \$2,500,000 from the environmental fund.

(j) \$1,088,000 the first year and \$1,088,000 the second year are to support water permitting and compliance programs. This appropriation is available until June 30, 2027. This is a onetime appropriation.

(k) The total general fund base budget for the industrial division for fiscal year 2026 and later is \$250,000.

Subd. 4. **Municipal**

11,269,000

11,917,000

	<u>Appropriations by Fund</u>	
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>1,305,000</u>	<u>1,311,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>85,000</u>	<u>90,000</u>
<u>Environmental</u>	<u>9,879,000</u>	<u>10,516,000</u>

(a) \$217,000 the first year and \$223,000 the second year are for:

(1) a municipal liaison to assist municipalities in implementing and participating in the rulemaking process for water quality standards and navigating the NPDES/SDS permitting process;

(2) enhanced economic analysis in the rulemaking process for water quality standards, including more-specific analysis and identification of cost-effective permitting;

(3) developing statewide economic analyses and templates to reduce the amount of information and time required for municipalities to apply for variances from water quality standards; and

(4) coordinating with the Public Facilities Authority to identify and advocate for the resources needed for municipalities to achieve permit requirements.

(b) \$50,000 the first year and \$50,000 the second year are from the environmental fund for transfer to the Office of Administrative Hearings to establish sanitary districts.

(c) \$1,240,000 the first year and \$1,338,000 the second year are from the environmental fund for subsurface sewage treatment system (SSTS) program administration and community technical assistance and education, including grants and technical assistance to communities for water-quality protection. Of this amount, \$350,000 each year is for assistance to counties through grants for SSTS program administration. A county receiving a grant from this appropriation must submit the results achieved with the grant to the commissioner as part of its annual SSTS report. Any unexpended balance in the first year does not cancel but is available in the second year.

(d) \$994,000 the first year and \$1,094,000 the second year are from the environmental fund to address the need for continued increased activity in new technology review, technical assistance for local governments, and enforcement under Minnesota Statutes, sections 115.55 to 115.58, and to complete the requirements of Laws 2003, chapter 128, article 1, section 165.

(e) \$1,088,000 the first year and \$1,088,000 the second year are to support water permitting and compliance programs. This appropriation is available until June 30, 2027. This is a onetime appropriation.

(f) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2025, as grants or contracts for subsurface sewage treatment systems, surface water and groundwater assessments, storm water, and water-quality protection in this subdivision are available until June 30, 2028.

(g) The total general fund base budget for the municipal division for fiscal year 2026 and later is \$223,000.

Subd. 5. Operations 31,658,000 30,363,000

	<u>Appropriations by Fund</u>	
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>20,750,000</u>	<u>19,359,000</u>
<u>Environmental</u>	<u>8,291,000</u>	<u>8,513,000</u>
<u>Remediation</u>	<u>2,617,000</u>	<u>2,491,000</u>

(a) \$1,154,000 the first year and \$1,124,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(b) \$3,000,000 the first year and \$3,109,000 the second year are to support agency information technology services provided at the enterprise and agency level to improve operations.

(c) \$906,000 the first year and \$919,000 the second year are from the environmental fund to develop and maintain systems to support agency permitting and regulatory business processes and data.

(d) \$2,000,000 the first year and \$2,000,000 the second year are to provide technical assistance to Tribal governments. This is a onetime appropriation.

(e) \$15,750,000 the first year and \$14,250,000 the second year are to support modernizing and automating agency environmental programs and data systems and how the agency provides services to regulated parties, partners, and the public. This appropriation is available until June 30, 2027. This is a onetime appropriation.

(f) \$270,000 the first year and \$270,000 the second year are from the environmental fund to support current and future career pathways for underrepresented students.

(g) \$700,000 the first year and \$700,000 the second year are from the environmental fund to improve the coordination, effectiveness, transparency, and accountability of the environmental review and permitting process.

(h) \$360,000 the first year and \$360,000 the second are from the environmental fund to support financial planning and analysis to assist with risk and compliance management across agency programs and financial systems.

Subd. 6. Remediation

42,458,000

16,162,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>27,140,000</u>	<u>140,000</u>

<u>Environmental</u>	<u>607,000</u>	<u>628,000</u>
<u>Remediation</u>	<u>14,711,000</u>	<u>15,394,000</u>

(a) All money for environmental response, compensation, and compliance in the remediation fund not otherwise appropriated is appropriated to the commissioners of the Pollution Control Agency and agriculture for purposes of Minnesota Statutes, section 115B.20, subdivision 2, clauses (1), (2), (3), (6), and (7). At the beginning of each fiscal year, the two commissioners must jointly submit to the commissioner of management and budget an annual spending plan that maximizes resource use and appropriately allocates the money between the two departments.

(b) \$415,000 the first year and \$426,000 the second year are from the environmental fund to manage contaminated sediment projects at multiple sites identified in the St. Louis River remedial action plan to restore water quality in the St. Louis River Area of Concern.

(c) \$4,476,000 the first year and \$4,622,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(d) \$308,000 the first year and \$316,000 the second year are from the remediation fund for transfer to the commissioner of health for private water-supply monitoring and health assessment costs in areas contaminated by unpermitted mixed municipal solid waste disposal facilities and drinking water advisories and public information activities for areas contaminated by hazardous releases.

(e) \$25,000,000 the first year is for grants to support planning, designing, and preparing for solutions for public water treatment systems contaminated with PFAS and for the agency to conduct source investigations of PFAS contamination and to sample, address, and treat private drinking water wells. This appropriation is available until June 30, 2027, and is a onetime appropriation.

(f) \$76,000 the first year is from the remediation fund for the petroleum tank release cleanup program duties and report required under this act. This is a onetime appropriation.

(g) \$2,000,000 the first year is for a grant to St. Louis County to plan, design, and construct one or more facilities, structures, or other solutions to protect Lake Superior and other waters in the Great Lakes watershed from PFAS contamination from landfills.

(h) \$140,000 the first year and \$140,000 the second year are for the Pig's Eye Landfill Task Force. This is a onetime appropriation.

Subd. 7. Resource Management and Assistance

82,000,000

57,974,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>38,464,000</u>	<u>13,850,000</u>
<u>Environmental</u>	<u>43,536,000</u>	<u>44,124,000</u>

(a) Up to \$150,000 the first year and \$150,000 the second year may be transferred from the environmental fund to the small business environmental improvement loan account under Minnesota Statutes, section 116.993.

(b) \$1,000,000 the first year and \$1,000,000 the second year are for competitive recycling grants under Minnesota Statutes, section 115A.565. Of this amount, \$300,000 the first year and \$300,000 the second year are from the general fund, and \$700,000 the first year

and \$700,000 the second year are from the environmental fund. This appropriation is available until June 30, 2027.

(c) \$694,000 the first year and \$694,000 the second year are from the environmental fund for emission-reduction activities and grants to small businesses and other nonpoint-emission-reduction efforts. Of this amount, \$100,000 the first year and \$100,000 the second year are to continue work with Clean Air Minnesota, and the commissioner may enter into an agreement with Environmental Initiative to support this effort.

(d) \$18,450,000 the first year and \$18,450,000 the second year are from the environmental fund for SCORE block grants to counties.

(e) \$119,000 the first year and \$119,000 the second year are from the environmental fund for environmental assistance grants or loans under Minnesota Statutes, section 115A.0716.

(f) \$400,000 the first year and \$400,000 the second year are from the environmental fund for grants to develop and expand recycling markets for Minnesota businesses. This appropriation is available until June 30, 2027.

(g) \$767,000 the first year and \$770,000 the second year are from the environmental fund for reducing and diverting food waste, redirecting edible food for consumption, and removing barriers to collecting and recovering organic waste. Of this amount, \$500,000 each year is for grants to increase food rescue and waste prevention. This appropriation is available until June 30, 2027.

(h) \$2,797,000 the first year and \$2,811,000 the second year are from the environmental fund for the purposes of Minnesota Statutes, section 473.844.

(i) \$318,000 the first year and \$324,000 the second year are from the environmental fund to address chemicals in products, including to implement and enforce flame retardant provisions under Minnesota Statutes, section 325F.071, and perfluoroalkyl and polyfluoroalkyl substances in food packaging provisions under Minnesota Statutes, section 325F.075. Of this amount, \$78,000 the first year and \$80,000 the second year are transferred to the commissioner of health.

(j) \$180,000 the first year and \$140,000 the second year are for quantifying climate-related impacts from projects for environmental review. This is a onetime appropriation. This appropriation is available until June 30, 2026.

(k) \$1,790,000 the first year and \$70,000 the second year are for accelerating pollution prevention at small businesses. Of this amount, \$1,720,000 the first year is for zero-interest loans to phase out high-polluting equipment, products, and processes and replace with new options. This appropriation is available until June 30, 2027. This is a onetime appropriation.

(l) \$190,000 the first year and \$190,000 the second year are to support the Greenstep Cities program. This is a onetime appropriation. This appropriation is available until June 30, 2026.

(m) \$420,000 the first year is to complete a study on the viability of recycling solar energy equipment. This is a onetime appropriation and is available until June 30, 2026.

(n) \$650,000 the first year and \$650,000 the second year are from the environmental fund for Minnesota GreenCorps investment.

(o) \$4,210,000 the first year and \$210,000 the second year are for PFAS reduction grants. Of this amount, \$4,000,000 the first

year is for grants to industry and public entities to identify sources of PFAS entering facilities and to develop pollution prevention and reduction initiatives to reduce PFAS entering facilities, prevent releases, and monitor the effectiveness of these projects. Priority must be given to projects in underserved communities. This is a onetime appropriation and is available until June 30, 2027.

(p) \$12,940,000 the first year and \$12,940,000 the second year are for a waste prevention and reduction grants and loan program. This is a onetime appropriation and is available until June 30, 2027. Of this amount in the first year, \$7,950,000 is for waste prevention and reduction grants and loans and \$3,000,000 is for a grant to the owner of a biomass energy generation plant in Shakopee that uses waste heat from the generation of electricity in the malting process to purchase a wood dehydrator to facilitate disposal of wood that is infested by the emerald ash borer. Of this amount in the second year, \$10,950,000 is for waste prevention and reduction grants and loans. By October 1, 2024, the commissioner of the Pollution Control Agency must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources on the use of money appropriated for the wood dehydrator under this paragraph.

(q) \$16,562,000 the first year is for grants to a Minnesota nonprofit corporation that owns a cogeneration facility that serves a St. Paul district heating and cooling system to preserve existing biomass energy infrastructure for purposes of local and regional emerald ash borer response efforts. The commissioner of the Pollution Control Agency may require the nonprofit corporation to charge a fee per ton of wood waste delivered to the facility. This is a

onetime appropriation and is available until June 30, 2030.

(r) \$1,163,000 the first year and \$1,115,000 the second year are from the environmental fund for rulemaking and implementation of the new PFAS requirements under Minnesota Statutes, section 116.943. Of this amount, \$312,000 the first year and \$468,000 the second year are for transfer to the commissioner of health.

(s) \$680,000 the first year is for the resource management report required in this act. This is a onetime appropriation and is available until June 30, 2026.

(t) \$35,000 the second year is from the environmental fund for the compostable labeling requirements under Minnesota Statutes, section 325E.046. The base for this appropriation in fiscal year 2026 and beyond is \$68,000 from the environmental fund.

(u) \$175,000 the first year is for the rulemaking required under this act providing for the safe and lawful disposal of waste treated seed. This appropriation is available until June 30, 2025.

(v) \$1,000,000 the first year is for a lead tackle reduction program that provides outreach, education, and opportunities to safely dispose of and exchange lead tackle throughout the state. This is a onetime appropriation and is available until June 30, 2027.

(w) \$17,000 the first year is for rulemaking for the capital assistance program. This is a onetime appropriation.

(x) Any unencumbered grant and loan balances in the first year do not cancel but are available for grants and loans in the second year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2025, as

contracts or grants for environmental assistance awarded under Minnesota Statutes, section 115A.0716; technical and research assistance under Minnesota Statutes, section 115A.152; technical assistance under Minnesota Statutes, section 115A.52; and pollution prevention assistance under Minnesota Statutes, section 115D.04, are available until June 30, 2027.

Subd. 8. Watershed

11,360,000

11,869,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>3,503,000</u>	<u>3,503,000</u>
<u>Environmental</u>	<u>7,484,000</u>	<u>7,982,000</u>
<u>Remediation</u>	<u>373,000</u>	<u>384,000</u>

(a) \$2,959,000 the first year and \$2,959,000 the second year are for grants to delegated counties to administer the county feedlot program under Minnesota Statutes, section 116.0711, subdivisions 2 and 3. Money remaining after the first year is available for the second year.

(b) \$236,000 the first year and \$241,000 the second year are from the environmental fund for the costs of implementing general operating permits for feedlots over 1,000 animal units.

(c) \$125,000 the first year and \$129,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(d) \$544,000 the first year and \$544,000 the second year are to support water permitting and compliance programs. This appropriation is available until June 30, 2027. This is a onetime appropriation.

Subd. 9. Environmental Quality Board 2,075,000 1,639,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>1,854,000</u>	<u>1,413,000</u>
<u>Environmental</u>	<u>221,000</u>	<u>226,000</u>

\$620,000 the first year and \$140,000 the second year are to develop a Minnesota-based greenhouse gas sector and source-specific guidance, including climate information, a greenhouse gas calculator, and technical assistance for users. This is a onetime appropriation.

Subd. 10. Transfers

(a) The commissioner must transfer up to \$24,000,000 the first year and \$24,000,000 the second year from the environmental fund to the remediation fund for purposes of the remediation fund under Minnesota Statutes, section 116.155, subdivision 2. The base for this transfer is \$24,000,000 in fiscal year 2026 and beyond.

(b) By June 30, 2024, the commissioner of management and budget must transfer \$27,397,000 from the general fund to the metropolitan landfill contingency action trust account in the remediation fund to restore the money transferred from the account as intended under Laws 2003, chapter 128, article 1, section 10, paragraph (e), and Laws 2005, First Special Session chapter 1, article 3, section 17, and to compensate the account for the estimated lost investment income.

(c) Beginning in fiscal year 2024, the commissioner of management and budget must transfer \$100,000 each year from the general fund to the metropolitan landfill contingency action trust account in the remediation fund to restore the money transferred from the account as intended under Laws 2003, chapter 128, article 1, section 10, paragraph (e), and Laws 2005,

First Special Session chapter 1, article 3, section 17.

Sec. 3. NATURAL RESOURCES

Subdivision 1. Total Appropriation \$ 535,868,000 \$ 403,116,000

	<u>Appropriations by Fund</u>	
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>281,054,000</u>	<u>150,078,000</u>
<u>Natural Resources</u>	<u>123,986,000</u>	<u>123,706,000</u>
<u>Game and Fish</u>	<u>129,920,000</u>	<u>128,513,000</u>
<u>Remediation</u>	<u>117,000</u>	<u>117,000</u>
<u>Permanent School</u>	<u>791,000</u>	<u>702,000</u>

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

Subd. 2. Land and Mineral Resources Management 9,937,000 9,670,000

	<u>Appropriations by Fund</u>	
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>4,937,000</u>	<u>4,670,000</u>
<u>Natural Resources</u>	<u>4,438,000</u>	<u>4,438,000</u>
<u>Game and Fish</u>	<u>344,000</u>	<u>344,000</u>
<u>Permanent School</u>	<u>218,000</u>	<u>218,000</u>

(a) \$319,000 the first year and \$319,000 the second year are for environmental research relating to mine permitting, of which \$200,000 each year is from the minerals management account in the natural resources fund and \$119,000 each year is from the general fund.

(b) \$3,383,000 the first year and \$3,383,000 the second year are from the minerals management account in the natural resources fund for use as provided under Minnesota Statutes, section 93.2236, paragraph (c), for mineral resource management, projects to enhance future mineral income, and projects to promote new mineral-resource opportunities.

(c) \$218,000 the first year and \$218,000 the second year are transferred from the forest suspense account to the permanent school fund and are appropriated from the permanent school fund to secure maximum long-term economic return from the school trust lands consistent with fiduciary responsibilities and sound natural resources conservation and management principles.

(d) \$338,000 the first year and \$338,000 the second year are from the water management account in the natural resources fund for mining hydrology.

(e) \$1,294,000 the first year and \$484,000 the second year are for modernizing utility licensing for state lands and public waters. These appropriations are available through fiscal year 2028. This is a onetime appropriation.

(f) The total general fund base budget for the land and mineral resources management division for fiscal year 2026 and later is \$3,586,000.

Subd. 3. Ecological and Water Resources

48,738,000

45,797,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>27,083,000</u>	<u>26,142,000</u>
<u>Natural Resources</u>	<u>13,831,000</u>	<u>13,831,000</u>
<u>Game and Fish</u>	<u>7,824,000</u>	<u>5,824,000</u>

(a) \$4,222,000 the first year and \$4,222,000 the second year are from the invasive species account in the natural resources fund and \$2,831,000 the first year and \$2,831,000 the second year are from the general fund for management, public awareness, assessment and monitoring research, and water access inspection to prevent the spread of invasive species; management of invasive plants in public waters; and management of terrestrial invasive species on state-administered lands.

(b) \$6,056,000 the first year and \$6,056,000 the second year are from the water management account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 103G.27, subdivision 2.

(c) \$124,000 the first year and \$124,000 the second year are for a grant to the Mississippi Headwaters Board for up to 50 percent of the cost of implementing the comprehensive plan for the upper Mississippi within areas under the board's jurisdiction. By December 15, 2025, the board must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources on the activities funded under this paragraph and the progress made in implementing the comprehensive plan.

(d) \$10,000 the first year and \$10,000 the second year are for payment to the Leech Lake Band of Chippewa Indians to implement the band's portion of the comprehensive plan for the upper Mississippi River.

(e) \$300,000 the first year and \$300,000 the second year are for grants for up to 50 percent of the cost of implementing the Red River mediation agreement. The base for this appropriation in fiscal year 2026 and beyond is \$264,000.

(f) \$2,598,000 the first year and \$2,598,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified in Minnesota Statutes, section 297A.94, paragraph (h), clause (1).

(g) \$1,150,000 the first year and \$1,150,000 the second year are from the nongame wildlife management account in the natural resources fund for nongame wildlife management. Notwithstanding Minnesota Statutes, section 290.431, \$100,000 the first

year and \$100,000 the second year may be used for nongame wildlife information, education, and promotion.

(h) Notwithstanding Minnesota Statutes, section 84.943, \$48,000 the first year and \$48,000 the second year from the critical habitat private sector matching account may be used to publicize the critical habitat license plate match program.

(i) \$6,000,000 the first year and \$6,000,000 the second year are for the following activities:

(1) financial reimbursement and technical support to soil and water conservation districts or other local units of government for groundwater-level monitoring;

(2) surface water monitoring and analysis, including installing monitoring gauges;

(3) groundwater analysis to assist with water-appropriation permitting decisions;

(4) permit application review incorporating surface water and groundwater technical analysis;

(5) precipitation data and analysis to improve irrigation use;

(6) information technology, including electronic permitting and integrated data systems; and

(7) compliance and monitoring.

(j) \$2,410,000 the first year and \$410,000 the second year are from the heritage enhancement account in the game and fish fund and \$500,000 the first year and \$500,000 the second year are from the general fund for grants to the Minnesota Aquatic Invasive Species Research Center at the University of Minnesota to prioritize, support, and develop research-based solutions that can reduce the effects of

aquatic invasive species in Minnesota by preventing spread, controlling populations, and managing ecosystems and to advance knowledge to inspire action by others.

(k) \$268,000 the first year and \$268,000 the second year are for increased capacity for broadband utility licensing for state lands and public waters. This is a onetime appropriation and is available until June 30, 2028.

(l) \$998,000 the first year and \$568,000 the second year are for protecting and restoring carbon storage in state-administered peatlands by reviewing and updating the state's peatland inventory, piloting a restoration project, and piloting trust fund buyouts. This is a onetime appropriation and is available until June 30, 2028.

(m) \$250,000 the first year is for a grant to the Minnesota Lakes and Rivers Advocates to work with civic leaders to purchase, install, and operate waterless cleaning stations for watercraft; conduct aquatic invasive species education; and implement education upgrades at public accesses to prevent invasive starry stonewort spread beyond the lakes already infested. This is a onetime appropriation and is available until June 30, 2025.

(n) \$1,720,000 the first year is to prevent and manage invasive carp. This includes activities related to the Mississippi River Lock and Dam and stakeholder engagement. Up to \$325,000 may be used for a grant to the Board of Regents of the University of Minnesota to study the Mississippi River Lock Dam 5 spillway and provide preliminary design to optimize management to reduce invasive carp passage.

(o) Up to \$6,000,000 the first year is available for transfer from the critical habitat private sector matching account to the reinvest in Minnesota fund to expand Grey

Cloud Island Scientific and Natural Area and for other scientific and natural area acquisition, restoration, and enhancement according to Minnesota Statutes, section 84.943, subdivision 5b.

(p) \$40,000 the first year is for a grant to the Stearns Coalition of Lake Associations to manage aquatic invasive species. The unencumbered balance of the general fund appropriation in Laws 2021, First Special Session chapter 6, article 1, section 3, subdivision 3, paragraph (a), for the grant to the Stearns Coalition of Lake Associations, estimated to be \$40,000, is canceled no later than June 29, 2023.

(q) \$200,000 the first year is for a grant to the Board of Regents of the University of Minnesota for the University of Minnesota Water Council to develop a scope of work, timeline, and budget for a plan to promote and protect clean water in Minnesota for the next 50 years according to this act.

(r) The total general fund base budget for the ecological and water resources division for fiscal year 2026 and later is \$24,870,000.

Subd. 4. Forest Management

69,423,000

71,765,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>51,645,000</u>	<u>53,987,000</u>
<u>Natural Resources</u>	<u>16,161,000</u>	<u>16,161,000</u>
<u>Game and Fish</u>	<u>1,617,000</u>	<u>1,617,000</u>

(a) \$7,521,000 the first year and \$7,521,000 the second year are for prevention, presuppression, and suppression costs of emergency firefighting and other costs incurred under Minnesota Statutes, section 88.12. The amount necessary to pay for presuppression and suppression costs during the biennium is appropriated from the general fund. By January 15 each year, the commissioner of natural resources must submit a report to the chairs and ranking

minority members of the house and senate committees and divisions having jurisdiction over environment and natural resources finance that identifies all firefighting costs incurred and reimbursements received in the prior fiscal year. These appropriations may not be transferred. Any reimbursement of firefighting expenditures made to the commissioner from any source other than federal mobilizations must be deposited into the general fund.

(b) \$15,386,000 the first year and \$15,386,000 the second year are from the forest management investment account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 89.039, subdivision 2.

(c) \$1,617,000 the first year and \$1,617,000 the second year are from the heritage enhancement account in the game and fish fund to advance ecological classification systems (ECS), forest habitat, and invasive species management.

(d) \$906,000 the first year and \$926,000 the second year are for the Forest Resources Council to implement the Sustainable Forest Resources Act.

(e) \$1,143,000 the first year and \$1,143,000 the second year are for the Next Generation Core Forestry data system. Of this appropriation, \$868,000 each year is from the general fund and \$275,000 each year is from the forest management investment account in the natural resources fund.

(f) \$500,000 the first year and \$500,000 the second year are from the forest management investment account in the natural resources fund for forest road maintenance on state forest roads.

(g) \$500,000 the first year and \$500,000 the second year are for forest road maintenance on county forest roads.

(h) \$2,086,000 the first year and \$2,086,000 the second year are to support forest management, cost-share assistance, and inventory on private woodlands. This is a onetime appropriation.

(i) \$400,000 the first year and \$400,000 the second year are to accelerate tree seed collection to support a growing demand for tree planting on public and private lands. This is a onetime appropriation and is available until June 30, 2027.

(j) \$7,998,000 the first year and \$7,998,000 the second year are for grants to local and Tribal governments and nonprofit organizations to enhance community forest ecosystem health and sustainability under Minnesota Statutes, section 88.82, the Minnesota ReLeaf program. This appropriation is available until June 30, 2027. Money appropriated for grants under this paragraph may be used to pay reasonable costs incurred by the commissioner of natural resources to administer the grants. The base is \$400,000 beginning in fiscal year 2026.

(k) \$1,500,000 the first year and \$1,500,000 the second year are for forest stand improvement and to meet the reforestation requirements of Minnesota Statutes, section 89.002, subdivision 2. This is a onetime appropriation.

Subd. 5. Parks and Trails Management

118,305,000

111,680,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>42,952,000</u>	<u>36,707,000</u>
<u>Natural Resources</u>	<u>73,053,000</u>	<u>72,673,000</u>
<u>Game and Fish</u>	<u>2,300,000</u>	<u>2,300,000</u>

(a) \$8,485,000 the first year and \$8,735,000 the second year are from the natural resources fund for state trail, park, and recreation area operations. This appropriation is from revenue deposited in the natural

resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (2).

(b) \$21,828,000 the first year and \$22,078,000 the second year are from the state parks account in the natural resources fund to operate and maintain state parks and state recreation areas.

(c) \$1,300,000 the first year and \$1,300,000 the second year are from the natural resources fund for park and trail grants to local units of government on land to be maintained for at least 20 years for parks or trails. Priority must be given for projects that are in underserved communities or that increase access to persons with disabilities. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (4). Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(d) \$9,624,000 the first year and \$9,624,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for the snowmobile grants-in-aid program. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(e) \$2,435,000 the first year and \$2,435,000 the second year are from the natural resources fund for the off-highway vehicle grants-in-aid program. Of this amount, \$1,960,000 each year is from the all-terrain vehicle account; \$150,000 each year is from the off-highway motorcycle account; and \$325,000 each year is from the off-road vehicle account. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(f) \$2,250,000 the first year and \$2,250,000 the second year are from the state land and water conservation account in the natural resources fund for priorities established by

the commissioner for eligible state projects and administrative and planning activities consistent with Minnesota Statutes, section 84.0264, and the federal Land and Water Conservation Fund Act. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(g) \$250,000 the first year and \$250,000 the second year are for matching grants for local parks and outdoor recreation areas under Minnesota Statutes, section 85.019, subdivision 2.

(h) \$250,000 the first year and \$250,000 the second year are for matching grants for local trail connections under Minnesota Statutes, section 85.019, subdivision 4c.

(i) \$750,000 the first year is from the all-terrain vehicle account in the natural resources fund for a grant to St. Louis County to match other funding sources for design, right-of-way acquisition, permitting, and construction of trails within the Voyageur Country ATV trail system. This is a onetime appropriation and is available until June 30, 2026. This appropriation may be used as a local match to a state capital investment appropriation.

(j) \$700,000 the first year is from the all-terrain vehicle account in the natural resources fund for a grant to St. Louis County to match other funding sources for design, right-of-way acquisition, permitting, and construction of a new trail within the Prospector trail system. This is a onetime appropriation and is available until June 30, 2026. This appropriation may be used as a local match to a state capital investment appropriation.

(k) \$5,000,000 the first year is to facilitate the transfer of land within Upper Sioux Agency State Park required under this act, including but not limited to the acquisition of any land necessary to facilitate the

transfer. This is a onetime appropriation and is available until June 30, 2033.

(l) \$400,000 the first year and \$600,000 the second year are from the natural resources fund for parks and trails of regional significance outside of the seven-county metropolitan area under Minnesota Statutes, section 85.535, based on the recommendations from the Greater Minnesota Regional Parks and Trails Commission. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (i).

(m) \$400,000 the first year and \$600,000 the second year are from the natural resources fund for projects and activities that connect diverse and underserved Minnesotans through expanding cultural environmental experiences, exploration of their environment, and outdoor recreational activities. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (j).

(n) \$250,000 the first year and \$250,000 the second year are from the all-terrain vehicle account in the natural resources fund to the commissioner of natural resources for a grant to Aitkin County, in cooperation with the Northwoods Regional ATV Trail Alliance, to maintain and repair the Northwoods Regional ATV trail system. This is a onetime appropriation and is available until June 30, 2026.

(o) \$458,000 the first year is for a grant to Dakota County for improvements to the Swing Bridge Trailhead and historic Rock Island Swing Bridge along the Mississippi River Greenway, including LED lighting.

(p) \$1,200,000 the first year is for a grant to Dakota County for adding a public boat

launch along the Mississippi River between South St. Paul and Hastings.

(q) \$400,000 the first year is for a grant to the city of Silver Bay for construction of the Silver Bay Trailhead.

(r) \$500,000 the first year is for a grant to the city of Chisolm for trail development, maintenance, and related amenities at Redhead Mountain Bike Park.

(s) \$1,900,000 the first year is for a grant to the town of Crane Lake for construction, improvements, and maintenance at one or more of the following locations: the Crane Lake Voyageurs National Park Visitor Center and Campground and the state-operated boat ramp at Crane Lake. This is a onetime appropriation and is available until June 30, 2026.

(t) The total general fund base budget for the parks and trails division for fiscal year 2026 and later is \$35,707,000.

Subd. 6. Fish and Wildlife Management

111,125,000

96,963,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>23,643,000</u>	<u>9,888,000</u>
<u>Natural Resources</u>	<u>2,082,000</u>	<u>2,082,000</u>
<u>Game and Fish</u>	<u>85,400,000</u>	<u>84,993,000</u>

(a) \$11,158,000 the first year and \$11,158,000 the second year are from the heritage enhancement account in the game and fish fund only for activities specified under Minnesota Statutes, section 297A.94, paragraph (h), clause (1). Notwithstanding Minnesota Statutes, section 297A.94, five percent of this appropriation may be used for expanding hunter and angler recruitment and retention.

(b) \$982,000 the first year and \$982,000 the second year are from the general fund and \$1,675,000 the first year and \$1,675,000 the

second year are from the game and fish fund for statewide response and management of chronic wasting disease. The commissioner and the Board of Animal Health must each submit annual reports on chronic wasting disease activities funded in this biennium to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources and agriculture. The general fund base for this appropriation in fiscal year 2026 and beyond is \$282,000.

(c) \$5,150,000 the first year and \$3,250,000 the second year are for inspections, investigations, and enforcement activities taken for the white-tailed deer farm program and for statewide response and management of chronic wasting disease. This appropriation is available until June 30, 2029.

(d) \$8,546,000 the first year and \$8,546,000 the second year are from the deer management account for the purposes identified in Minnesota Statutes, section 97A.075, subdivision 1.

(e) \$268,000 the first year and \$268,000 the second year are for increased capacity for broadband utility licensing for state lands and public waters. This is a onetime appropriation and is available until June 30, 2028.

(f) \$10,000,000 the first year is for enhancing prairies and grasslands and restoring wetlands on state-owned wildlife management areas to sequester more carbon and enhance climate resiliency. This is a onetime appropriation and is available until June 30, 2027.

(g) \$500,000 the first year and \$500,000 the second year are from the general fund and \$500,000 the first year and \$500,000 the second year are from the heritage enhancement account in the game and fish fund for grants for natural-resource-based

education and recreation programs serving youth under Minnesota Statutes, section 84.976, and for grant administration. Priority must be given to projects benefiting underserved communities. The base for this appropriation in fiscal year 2026 and beyond is \$500,000 from the heritage enhancement account in the game and fish fund. The general fund appropriation is onetime.

(h) \$2,300,000 the first year is for a grant to the Fond du Lac Band of Lake Superior Chippewa to expand Minnesota's wild elk population and range. Consideration must be given to moving elk from existing herds in northwest Minnesota to the area of the Fond du Lac State Forest and the Fond du Lac Reservation in Carlton and southern St. Louis Counties. The Fond du Lac Band of Lake Superior Chippewa's elk reintroduction efforts must undergo thorough planning with the Department of Natural Resources to develop necessary capture and handling protocols, including protocols related to cervid disease management, and to produce postrelease state and Tribal elk comanagement plans. Of this amount, \$300,000 is for the department for the purposes of this paragraph. This is a onetime appropriation and is available until June 30, 2026.

(i) \$767,000 the first year is from the heritage enhancement account in the game and fish fund to examine the effects of neonicotinoid exposure on the reproduction and survival of Minnesota's game species, including deer and prairie chicken. This is a onetime appropriation and is available until June 30, 2027.

(j) \$134,000 the first year and \$134,000 the second year are from the heritage enhancement account in the game and fish fund for native fish conservation and classification.

(k) \$82,000 the first year is for the native fish reports required under this act. This is a onetime appropriation.

(l) \$65,000 the first year is for preparing the report on feral pigs and mink required under this act and holding at least one public meeting on the topic.

(m) Up to \$5,750,000 the first year and up to \$2,225,000 the second year are available for transfer from the critical habitat private sector matching account to the reinvest in Minnesota fund for wildlife management areas acquisition, restoration, and enhancement according to Minnesota Statutes, section 84.943, subdivision 5b.

(n) Notwithstanding Minnesota Statutes, section 297A.94, \$300,000 the first year and \$300,000 the second year are from the heritage enhancement account in the game and fish fund for shooting sports facility grants under Minnesota Statutes, section 87A.10, including grants for archery facilities. Grants must be matched with a nonstate match, which may include in-kind contributions. This is a onetime appropriation and is available until June 30, 2026. This appropriation must be allocated as follows:

(1) \$200,000 each fiscal year is for grants of \$25,000 or less; and

(2) \$100,000 each fiscal year is for grants in excess of \$25,000.

(o) \$75,000 the first year is from the heritage enhancement account in the game and fish fund for enhanced fish stocking of white bass and crappies in lakes in the metropolitan area that have pier and shore fishing opportunities where communities are currently underserved.

(p) \$1,633,000 the first year is for a grant to the Board of Regents of the University of Minnesota for chronic wasting disease

contingency plans developed by the Center for Infectious Disease Research and Policy. This is a onetime appropriation.

(q) \$900,000 the first year is to create new or expand existing outreach and education programs for non-native English-speaking communities. Of this amount, \$250,000 is for the commissioner of the Pollution Control Agency and \$250,000 is for the Board of Water and Soil Resources for this purpose. Up to \$400,000 may be used to expand the Fishing in the Neighborhood program for outreach to new and underserved audiences. This appropriation may be used for community outreach consultants for reaching new audiences. This is a onetime appropriation and is available until June 30, 2027.

Subd. 7. Enforcement

62,062,000

61,618,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>15,599,000</u>	<u>14,055,000</u>
<u>Natural Resources</u>	<u>13,911,000</u>	<u>14,011,000</u>
<u>Game and Fish</u>	<u>32,435,000</u>	<u>33,435,000</u>
<u>Remediation</u>	<u>117,000</u>	<u>117,000</u>

(a) \$1,718,000 the first year and \$1,718,000 the second year are from the general fund for enforcement efforts to prevent the spread of aquatic invasive species.

(b) \$2,980,000 the first year and \$2,980,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified under Minnesota Statutes, section 297A.94, paragraph (h), clause (1).

(c) \$1,442,000 the first year and \$1,442,000 the second year are from the water recreation account in the natural resources fund for grants to counties for boat and water safety. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(d) \$315,000 the first year and \$315,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for grants to local law enforcement agencies for snowmobile enforcement activities. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(e) \$250,000 the first year and \$250,000 the second year are from the all-terrain vehicle account in the natural resources fund for grants to qualifying organizations to assist in safety and environmental education and monitoring trails on public lands under Minnesota Statutes, section 84.9011. Grants issued under this paragraph must be issued through a formal agreement with the organization. By December 15 each year, an organization receiving a grant under this paragraph must report to the commissioner with details on expenditures and outcomes from the grant. Of this appropriation, \$25,000 each year is for administering these grants. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(f) \$510,000 the first year and \$510,000 the second year are from the natural resources fund for grants to county law enforcement agencies for off-highway vehicle enforcement and public education activities based on off-highway vehicle use in the county. Of this amount, \$498,000 each year is from the all-terrain vehicle account, \$11,000 each year is from the off-highway motorcycle account, and \$1,000 each year is from the off-road vehicle account. The county enforcement agencies may use money received under this appropriation to make grants to other local enforcement agencies within the county that have a high concentration of off-highway vehicle use. Of this appropriation, \$25,000 each year is for administering the grants. Any unencumbered

balance does not cancel at the end of the first year and is available for the second year.

(g) \$2,900,000 of the general fund appropriation for fiscal years 2022 and 2023 in Laws 2021, First Special Session chapter 6, article 1, section 3, subdivision 7, paragraph (i), for inspections, investigations, and enforcement activities taken in conjunction with the Board of Animal Health for the white-tailed deer farm program is canceled no later than June 29, 2023.

(h) \$3,050,000 the first year is for modernizing the enforcement aviation fleet. This appropriation is available until June 30, 2027.

Subd. 8. Operations Support

1,984,000

1,408,000

(a) \$1,684,000 the first year and \$1,408,000 second year are for information technology security and modernization. This is a onetime appropriation.

(b) \$300,000 the first year is for legal costs. The unencumbered amount of the general fund appropriation in Laws 2019, First Special Session chapter 4, article 1, section 3, subdivision 8, for legal costs, estimated to be \$300,000, is canceled no later than June 29, 2023.

Subd. 9. Pass Through Funds

4,294,000

4,215,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>3,211,000</u>	<u>3,221,000</u>
<u>Natural Resources</u>	<u>510,000</u>	<u>510,000</u>
<u>Permanent School</u>	<u>573,000</u>	<u>484,000</u>

(a) \$510,000 the first year and \$510,000 the second year are from the natural resources fund for grants to be divided equally between the city of St. Paul for the Como Park Zoo and Conservatory and the city of Duluth for the Lake Superior Zoo. This appropriation is from revenue deposited to the natural

resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (5).

(b) \$211,000 the first year and \$221,000 the second year are for the Office of School Trust Lands.

(c) \$250,000 the first year and \$150,000 the second year are transferred from the forest suspense account to the permanent school fund and are appropriated from the permanent school fund for transaction and project management costs for divesting of school trust lands within Boundary Waters Canoe Area Wilderness.

(d) \$323,000 the first year and \$334,000 the second year are transferred from the forest suspense account to the permanent school fund and are appropriated from the permanent school fund for the Office of School Trust Lands.

(e) \$3,000,000 the first year and \$3,000,000 the second year are for proportional payments to Tribes receiving payments under Minnesota Statutes, section 97A.157. This is a onetime appropriation. The commissioner must work with the signatory Tribes to update and amend the affected agreement.

Subd. 10. Get Out MORE (Modernizing Outdoor Recreation Experiences)

110,000,000

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(a) \$110,000,000 the first year is for modernizing Minnesota's state-managed outdoor recreation experiences. Of this amount:

(1) \$25,000,000 is for enhancing access and welcoming new users to public lands and outdoor recreation facilities, including improvements to improve climate resiliency;

(2) \$5,000,000 is for modernizing camping and related infrastructure, including improvements to improve climate resiliency;

(3) \$35,000,000 is for modernizing fish hatcheries and fishing infrastructure;

(4) \$10,000,000 is for restoring streams and modernizing water-related infrastructure with priority given to fish habitat improvements, dam removal, and improvements to improve climate resiliency; and

(5) \$35,000,000 is for modernizing boating access.

(b) Priority for money allocated under paragraph (a), clauses (1), (3), (4), and (5), must be given to projects where communities are currently underserved.

(c) The commissioner may reallocate money appropriated in paragraph (a) across those purposes based on project readiness and priority. The appropriations in paragraph (a) are available until June 30, 2029.

(d) No later than November 30 each year, the commissioner must provide a progress report on the expenditure of money appropriated under this subdivision to the chairs of the legislative committees with jurisdiction over environment and natural resources finance.

Subd. 11. Fiscal Year 2023 Appropriation

\$1,000,000 in fiscal year 2023 is from the general fund to address safety concerns at the drill core library. This is a onetime appropriation and is available until June 30, 2026.

Subd. 12. Transfer

By June 30, 2024, the commissioner of management and budget must transfer \$58,000 from the water recreation account in the natural resources fund to the driver services operating account under Minnesota Statutes, section 299A.705.

EFFECTIVE DATE. Subdivisions 3, 7, 8, 11, and 12 are effective the day following final enactment.

Sec. 4. **BOARD OF WATER AND SOIL
RESOURCES**

\$ 61,943,000 \$ 58,131,000

(a) \$3,116,000 the first year and \$3,116,000 the second year are for grants and payments to soil and water conservation districts for accomplishing the purposes of Minnesota Statutes, chapter 103C, and for other general purposes, nonpoint engineering, and implementation and stewardship of the reinvest in Minnesota reserve program. Expenditures may be made from this appropriation for supplies and services benefiting soil and water conservation districts. Any district receiving a payment under this paragraph must maintain a website that publishes, at a minimum, the district's annual report, annual audit, annual budget, and meeting notices.

(b) \$761,000 the first year and \$761,000 the second year are to implement, enforce, and provide oversight for the Wetland Conservation Act, including administering the wetland banking program and in-lieu fee mechanism.

(c) \$1,560,000 the first year and \$1,560,000 the second year are for the following:

(1) \$1,460,000 the first year and \$1,460,000 the second year are for cost-sharing programs of soil and water conservation districts for accomplishing projects and practices consistent with Minnesota Statutes, section 103C.501, including perennially vegetated riparian buffers, erosion control, water retention and treatment, water quality cost-sharing for feedlots under 500 animal units and nutrient and manure management projects in watersheds where there are impaired waters, and other high-priority conservation practices; and

(2) \$100,000 the first year and \$100,000 the second year are for county cooperative weed management programs and to restore native

plants at selected invasive species management sites.

(d) \$166,000 the first year and \$166,000 the second year are to provide technical assistance to local drainage management officials and for the costs of the Drainage Work Group. The board must coordinate the activities of the Drainage Work Group according to Minnesota Statutes, section 103B.101, subdivision 13. The Drainage Work Group must review a drainage authority's power under Minnesota Statutes, chapter 103E, to consider the abandonment or dismantling of drainage systems; to re-meander, restore, or reconstruct a natural waterway that has been modified by drainage; or to deconstruct dikes, dams, or other water-control structures.

(e) \$100,000 the first year and \$100,000 the second year are for a grant to the Red River Basin Commission for water quality and floodplain management, including program administration. This appropriation must be matched by nonstate funds.

(f) \$190,000 the first year and \$190,000 the second year are for grants to Area II Minnesota River Basin Projects for floodplain management. The base for fiscal year 2026 and later is \$140,000.

(g) \$125,000 the first year and \$125,000 the second year are for conservation easement stewardship.

(h) \$240,000 the first year and \$240,000 the second year are for a grant to the Lower Minnesota River Watershed District to defray the annual cost of operating and maintaining sites for dredge spoil to sustain the state, national, and international commercial and recreational navigation on the lower Minnesota River.

(i) \$2,000,000 the first year and \$2,000,000 the second year are for the lawns to legumes

program under Minnesota Statutes, section 103B.104. The board may enter into agreements with local governments, Metro Blooms, and other organizations to support this effort. This is a onetime appropriation and is available until June 30, 2027.

(j) \$2,000,000 the first year and \$2,000,000 the second year are for the habitat enhancement landscape program under Minnesota Statutes, section 103B.106. This is a onetime appropriation and is available until June 30, 2027.

(k) \$10,557,000 the first year and \$10,557,000 the second year are for soil health activities to achieve water quality, soil productivity, climate change resiliency, or carbon sequestration benefits consistent with Minnesota Statutes, section 103F.06. This is a onetime appropriation and is available until June 30, 2027. The board may use grants to local governments, including soil and water conservation districts, and agreements with the United States Department of Agriculture; the University of Minnesota, Office for Soil Health; AgCentric, Minnesota State Northern Center of Excellence; and other practitioners and partners to accomplish this work.

(l) \$203,000 the first year and \$203,000 the second year are for soil health practice adoption purposes consistent with the cost-sharing provisions of Minnesota Statutes, section 103C.501, and for soil health program responsibilities in consultation with the University of Minnesota Office for Soil Health.

(m) \$10,500,000 the first year and \$10,500,000 the second year are for conservation easements and to restore and enhance grasslands and adjacent lands consistent with Minnesota Statutes, sections 103F.501 to 103F.531, for the purposes of climate resiliency, adaptation, carbon sequestration, and related benefits. Of this amount, up to \$423,000 is for deposit in the

water and soil conservation easement stewardship account established under Minnesota Statutes, section 103B.103. This is a onetime appropriation and is available until June 30, 2029. The board must give priority to leveraging nonstate funding, including practices, programs, and projects funded by the U.S. Department of Agriculture via the Conservation Reserve Enhancement Program, the Conservation Reserve Program, the Federal Inflation Reduction Act, the Federal Farm Bill, or the Climate-Smart Commodities Program.

(n) \$4,000,000 the first year and \$5,000,000 the second year are to acquire conservation easements and to restore and enhance peatlands and adjacent lands consistent with Minnesota Statutes, sections 103F.501 to 103F.531, for the purposes of climate resiliency, adaptation, carbon sequestration, and related benefits. Of this amount, up to \$299,000 is for deposit in the water and soil conservation easement stewardship account established under Minnesota Statutes, section 103B.103. This is a onetime appropriation and is available until June 30, 2029. The board must give priority to leveraging nonstate funding, including practices, programs, and projects funded by the U.S. Department of Agriculture via the Conservation Reserve Enhancement Program, the Conservation Reserve Program, the Federal Inflation Reduction Act, the Federal Farm Bill, or the Climate-Smart Commodities Program.

(o) \$2,000,000 the first year and \$2,000,000 the second year are to enhance existing easements established under Minnesota Statutes, sections 103F.501 to 103F.531. Enhancements are for the purposes of climate resiliency, adaptation, and carbon sequestration and include but are not limited to increasing biodiversity and mitigating the effects of rainfall and runoff events. This is a onetime appropriation and is available until

June 30, 2029. The board must give priority to leveraging nonstate funding, including practices, programs, and projects funded by the U.S. Department of Agriculture via the Conservation Reserve Enhancement Program, the Conservation Reserve Program, the Federal Inflation Reduction Act, the Federal Farm Bill, or the Climate-Smart Commodities Program.

(p) \$8,500,000 the first year and \$8,500,000 the second year are for water quality and storage practices and projects to protect infrastructure, improve water quality and related public benefits, and mitigate climate change impacts consistent with Minnesota Statutes, section 103F.05. This is a onetime appropriation and is available until June 30, 2029. The board must give priority to leveraging nonstate funding, including practices, programs, and projects funded by the U.S. Department of Agriculture via the Conservation Reserve Enhancement Program, the Conservation Reserve Program, the Federal Inflation Reduction Act, the Federal Farm Bill, or the Climate-Smart Commodities Program.

(q) \$4,673,000 the first year and \$4,673,000 the second year are for natural resources block grants to local governments to implement the Wetland Conservation Act and shoreland management program under Minnesota Statutes, chapter 103F, and local water management responsibilities under Minnesota Statutes, chapter 103B. The board may reduce the amount of the natural resources block grant to a county by an amount equal to any reduction in the county's general services allocation to a soil and water conservation district from the county's previous year allocation when the board determines that the reduction was disproportionate. The base for this appropriation in fiscal year 2026 and beyond is \$3,423,000.

(r) \$129,000 the first year and \$136,000 the second year are to accomplish the objectives of Minnesota Statutes, section 10.65, and related Tribal government coordination. The base for fiscal year 2026 and each year thereafter is \$144,000.

(s) \$3,000,000 the first year is to provide onetime state incentive payments to enrollees in the federal Conservation Reserve Program (CRP) during the continuous enrollment period and to enroll complementary areas in conservation easements consistent with Minnesota Statutes, section 103F.515. The board may establish payment rates based on land valuation and on environmental benefit criteria, including but not limited to surface water or groundwater pollution reduction, drinking water protection, soil health, pollinator and wildlife habitat, and other conservation enhancements. The board may use state funds to implement the program and to provide technical assistance to landowners or their agents to fulfill enrollment and contract provisions. The board must consult with the commissioners of agriculture, health, natural resources, and the Pollution Control Agency and the United States Department of Agriculture in establishing program criteria. This is a onetime appropriation and is available until June 30, 2027.

(t) \$2,000,000 the first year is to acquire conservation easements from landowners to preserve, restore, create, and enhance wetlands and associated uplands of prairie and grasslands and to restore and enhance rivers and streams, riparian lands, and associated uplands of prairie and grasslands, in order to protect soil and water quality, support fish and wildlife habitat, reduce flood damage, and provide other public benefits. Minnesota Statutes, section 103F.515, applies to this program. The board must give priority to leveraging federal money by enrolling targeted new lands or enrolling environmentally sensitive lands that have

expiring federal conservation agreements. The board is authorized to enter into new agreements and amend past agreements with landowners as required by Minnesota Statutes, section 103F.515, subdivision 5, to allow for restoration. Up to five percent of this appropriation may be used for restoration and enhancement.

(u) \$5,623,000 the first year and \$5,804,000 the second year are for agency administration and operation of the Board of Water and Soil Resources.

(v) \$500,000 the first year and \$500,000 the second year are for the habitat-friendly utilities program under Minnesota Statutes, section 103B.105. This is a onetime appropriation and is available until June 30, 2027.

(w) The board may shift money in this section and may adjust the technical and administrative assistance portion of the funds to leverage federal or other nonstate funds or to address accountability, oversight, local government performance, or high-priority needs.

(x) Returned grants and payments are available for two years after they are returned or regranted, whichever is later. Funds must be regranted consistent with the purposes of this section. If an appropriation for grants in either year is insufficient, the appropriation in the other year is available for it.

(y) Notwithstanding Minnesota Statutes, section 16B.97, grants awarded from appropriations in this section are exempt from the Department of Administration, Office of Grants Management Policy 08-08 Grant Payments and 08-10 Grant Monitoring.

Sec. 5. **METROPOLITAN COUNCIL**

\$ 32,240,000 \$

11,490,000

Appropriations by Fund

2024

2025

<u>General</u>	<u>23,290,000</u>	<u>2,540,000</u>
<u>Natural Resources</u>	<u>8,950,000</u>	<u>8,950,000</u>

(a) \$8,540,000 the first year and \$2,540,000 the second year are for metropolitan-area regional parks operation and maintenance according to Minnesota Statutes, section 473.351.

(b) \$8,950,000 the first year and \$8,950,000 the second year are from the natural resources fund for metropolitan-area regional parks and trails maintenance and operations. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (3).

(c) \$9,000,000 the first year is to modernize regional parks and trails. This is a onetime appropriation and is available until June 30, 2027.

(d) \$2,750,000 the first year is for capital improvements to the municipal wastewater collection system within the city of Newport to reduce the amount of inflow and infiltration to the sanitary sewer disposal system. This is a onetime appropriation and is available until June 30, 2026.

(e) \$1,000,000 the first year is for grants to implementing agencies to remove hazardous trees and replace ash trees with more diverse, climate-adapted species within the metropolitan regional park system. This is a onetime appropriation.

(f) \$2,000,000 the first year is to develop a comprehensive plan to ensure communities in the White Bear Lake area have access to sufficient safe drinking water to allow for municipal growth while simultaneously ensuring the sustainability of surface water and groundwater resources to supply the needs of future generations. The Metropolitan Council must establish a work group consisting of the commissioners of natural

resources, health, and the Pollution Control Agency or their designees and representatives from the Metropolitan Area Water Supply Advisory Committee; the St. Paul Regional Water Services; the cities of Stillwater, Mahtomedi, Hugo, Lake Elmo, Lino Lakes, North St. Paul, Oakdale, Vadnais Heights, Shoreview, Woodbury, New Brighton, North Oaks, and White Bear Lake; and the town of White Bear to advise the council in developing the comprehensive plan. This is a onetime appropriation and is available until June 30, 2027. The comprehensive plan must:

(1) evaluate methods for conserving and recharging groundwater in the area, including:

(i) converting water supplies that are groundwater dependent to total or partial supplies from surface water sources;

(ii) reusing water, including water discharged from contaminated wells;

(iii) projects designed to increase groundwater recharge; and

(iv) other methods for reducing groundwater use;

(2) based on the evaluation conducted under clause (1), determine which existing groundwater supply wells, if converted to surface water sources, would be most effective and efficient in ensuring future water sustainability in the area;

(3) identify a long-term plan for converting groundwater supply wells identified in clause (2) to surface water sources, including recommendations on water supply governance and concept-level engineering that addresses preliminary design considerations, including supply source, treatment, distribution, operation, and financing needed to complete any changes to water supply infrastructure;

(4) include any policy and funding recommendations for converting groundwater supply wells to surface water sources, recommendations for treating and reusing wastewater, and any other recommendations for additional measures that reduce groundwater use, promote water reuse, and increase groundwater recharge;

(5) include any policy and funding recommendations for local wastewater treatment and recharge; and

(6) be submitted to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources finance and policy by June 30, 2027.

Sec. 6. CONSERVATION CORPS MINNESOTA \$ 1,070,000 \$ 1,070,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>580,000</u>	<u>580,000</u>
<u>Natural Resources</u>	<u>490,000</u>	<u>490,000</u>

Conservation Corps Minnesota may receive money appropriated from the natural resources fund under this section only as provided in an agreement with the commissioner of natural resources.

Sec. 7. ZOOLOGICAL BOARD \$ 14,244,000 \$ 13,812,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>13,989,000</u>	<u>13,557,000</u>
<u>Natural Resources</u>	<u>255,000</u>	<u>255,000</u>

(a) \$255,000 the first year and \$255,000 the second year are from the natural resources fund from revenue deposited under Minnesota Statutes, section 297A.94, paragraph (h), clause (5).

(b) \$850,000 the first year is to improve safety and security at the Minnesota Zoo. This is a onetime appropriation.

Sec. 8. <u>SCIENCE MUSEUM</u>	\$	<u>8,200,000</u>	\$	<u>1,260,000</u>
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\$7,000,000 the first year is for debt reduction, rehiring and retaining employees, supporting employee contracts, and diversity and inclusion training and outreach.

Sec. 9. <u>UNIVERSITY OF MINNESOTA</u>	\$	<u>1,500,000</u>	\$	<u>-0-</u>
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(a) \$1,000,000 the first year is for the Minnesota Aquatic Invasive Species Research Center to enhance and implement the center's aquatic invasive species research-based solutions through:

(1) implementation of a watershed-scale carp management plan and additional research focused on site-specific method refinement and evaluation;

(2) creation of a long-term monitoring program with state and local partners that evaluates the feasibility of whole-lake zebra mussel control projects and the development of criteria for selecting and managing lakes;

(3) refinement and implementation of large-scale surveillance and early detection methods for high-priority aquatic invasive species, including but not limited to zebra mussels, spiny water flea, and starry stonewort; and

(4) development and sharing, with relevant experts and stakeholders, contingency plans regarding the potential risks of aquatic invasive species. The contingency plans must provide a blueprint for preparedness and response planning documents, including authoritative risk communication, education, and outreach materials. The communication, education, and outreach materials must be prepared in multiple languages, including but not limited to Tribal languages.

(b) The board must ensure that the Minnesota Aquatic Invasive Species Research Center coordinates research activities funded under paragraph (a) with Tribal governments.

(c) The appropriation under paragraph (a) is onetime and available until June 30, 2027.

(d) \$500,000 the first year is for a multidisciplinary research study involving several departments of the University of Minnesota, including the Department of Forest Resources; Department of Soil, Water, and Climate; Department of Bioproducts and Biosystems Engineering; and Department of Applied Economics, of lowland conifer stands over 40 acres that are under state management. The study must provide spatial estimates for carbon found in aboveground biomass, as well as soils and peat; develop strategies that maximize mitigation of global climate change; and provide recommendations for maximizing climate resilience, encouraging biodiversity, and providing air- and water-quality benefits. A report with the results of the study must be submitted to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources by January 15, 2027. This is a onetime appropriation and is available until June 30, 2027.

Sec. 10. PUBLIC SAFETY

\$

-0- \$

229,000

\$229,000 the second year is from the fire safety account in the special revenue fund for purposes of the class B firefighting foam requirements under Minnesota Statutes, section 325F.072. This is a onetime appropriation and is available until June 30, 2026.

ARTICLE 2

ENVIRONMENT AND NATURAL RESOURCES TRUST FUND

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the environment and natural resources trust fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "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. Any unencumbered balance remaining in the first year does not cancel and is available for the second year or until the end of the appropriation. These are onetime appropriations.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2024</u>	<u>2025</u>
Sec. 2. <u>MINNESOTA RESOURCES</u>		
Subdivision 1. <u>Total Appropriation</u>	\$ <u>79,833,000</u>	\$ <u>-0-</u>
<u>Appropriations by Fund</u>		
<u>2024</u>	<u>2025</u>	
<u>Environment and Natural Resources Trust Fund</u>	<u>79,644,000</u>	<u>-0-</u>
<u>Great Lakes Protection Account</u>	<u>189,000</u>	<u>-0-</u>

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

Subd. 2. Definitions

(a) "Trust fund" means the Minnesota environment and natural resources trust fund established under the Minnesota Constitution, article XI, section 14.

(b) "Great Lakes protection account" means the account referred to in Minnesota Statutes, section 116Q.02.

Subd. 3. Foundational Natural Resource Data and Information8,219,000-0-**(a) Assessing Restorations for Rusty-Patched and Other Bumblebee Habitat**

\$75,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Friends of the Mississippi River to assess how prairie restoration and different restoration seeding methods affect bumblebee abundance, diversity, and habitat and make recommendations to improve restoration outcomes.

(b) Removing Barriers to Carbon Market Entry

\$482,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to develop ground-tested carbon stock models of forest resources throughout Minnesota to enable better resource management of public and private forests as well as generate reliable tools for landowners seeking to enter carbon markets.

(c) Mapping Migratory Bird Pit Stops in Minnesota

\$340,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the National Audubon Society, Minnesota office, to identify avian migratory stopover sites, develop a shared decision-support tool, and publish guidance for conserving migratory birds in Minnesota. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

(d) Enhancing Knowledge of Minnesota River Fish Ecology

\$199,000 the first year is from the trust fund to the commissioner of natural resources to collect baseline information about the diets, distribution, status, and movement patterns of fish in the Minnesota River to inform management and conservation decisions.

(e) Changing Distribution of Flying Squirrel Species in Minnesota

\$186,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural Resources Research Institute in Duluth to determine current distribution and habitat associations of northern and southern flying squirrels to fill key knowledge gaps in flying squirrel status in Minnesota.

(f) Statewide Forest Carbon Inventory and Change Mapping

\$987,000 the first year is from the trust fund to the commissioner of natural resources to work with Minnesota Forest Resources Council, Minnesota Forestry Association, the Board of Water and Soil Resources, and the University of Minnesota to develop a programmatic approach and begin collecting plot-based inventories on private forestland for use with remote sensing data to better assess changing forest conditions and climate mitigation opportunities across all ownerships in the state.

(g) Predicting the Future of Aquatic Species by Understanding the Past

\$170,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to use past and present information to model future ranges of native aquatic species in Minnesota to generate publicly available tools for species and habitat management.

(h) Assessing Status of Common Tern Populations in Minnesota

\$199,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural Resources Research Institute in Duluth to assess the population status of Common Tern breeding colonies in Minnesota, implement management activities, and develop a

standardized monitoring protocol and online database for accessing current and historic monitoring data to help prioritize conservation and restoration actions for this state-threatened species.

(i) Salvaged Wildlife to Inform Environmental Health, Ecology, and Education

\$486,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, Bell Museum of Natural History, to establish a statewide network to collect, analyze, and archive salvaged dead wildlife and build a foundation of biodiversity resources to track ecosystem-wide changes, monitor environmental health, and educate Minnesotans about the value of scientific specimens.

(j) Developing Conservation Priorities for Rare and Specialist Bees

\$619,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to collect data on rare and specialist bees and their habitat preferences, determine their conservation status, and develop strategies to improve their chances of survival.

(k) Efficacy of Urban Archery Hunting to Manage Deer

\$393,000 the first year is from the trust fund to the Board of Trustees of the Minnesota State Colleges and Universities for Bemidji State University to conduct an analysis of deer survival, habitat use, and hunter data in the city of Bemidji to improve special archery hunt management practices in urban areas of the state.

(l) Mapping the Ecology of Urban and Rural Canids

\$601,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to determine how disease prevalence, diet, habitat use, and interspecies interactions of coyotes and foxes change

from urban to rural areas along the Mississippi River corridor.

(m) Maximizing Lowland Conifer Ecosystem Services - Phase II

\$482,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to continue monitoring forested peatland hydrology and wildlife, conduct new wildlife and habitat surveys, and quantify carbon storage to provide support for management decisions.

(n) Modernizing Minnesota's Wildlife (and Plant) Action Plan

\$889,000 the first year is from the trust fund to the commissioner of natural resources to modernize the Minnesota Wildlife Action Plan by filling critical data gaps, including adding rare plants to the plan, and standardizing conservation status assessment methods to ensure Minnesota's natural heritage is protected into the future.

(o) Linking Breeding and Migratory Bird Populations in Minnesota

\$199,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Hawk Ridge Bird Observatory to map year-round habitat use of understudied bird species of special conservation concern and evaluate areas with the greatest risk of contaminant exposure.

(p) Old Growth Forest Monitoring

\$441,000 the first year is from the trust fund to the commissioner of natural resources to establish baseline conditions and develop a cost-effective method to monitor approximately 93,000 acres of old growth forest in Minnesota to ensure that these rare and important forest resources are properly protected.

(q) Integrating Remotely Sensed Data with Traditional Forest Inventory

\$191,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural Resources Research Institute in Duluth to calibrate and optimize the use of LiDAR for forest inventory purposes and estimate stand-level forest resource metrics in northeastern Minnesota so ecosystem services can be better considered in management decisions.

(r) Community Response Monitoring for Adaptive Management in Southeast Minnesota

\$483,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with The Nature Conservancy to assess community-level plant and animal responses to past restoration efforts in select southeast Minnesota conservation focus areas to determine if management outcomes are being achieved.

(s) Minnesota Biodiversity Atlas - Phase III

\$797,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, Bell Museum of Natural History, to expand the Minnesota Biodiversity Atlas to include more than 2,000,000 records and images of Minnesota wildlife, plants, and fungi by adding insect specimens, collections from new partners, historical data, and repatriating records of Minnesota's biodiversity that exist in various federal institutions.

Subd. 4. Water Resources

8,328,000

-0-

Appropriations by Fund

Environment and
Natural Resources

<u>Trust Fund</u>	<u>8,139,000</u>	<u>-0-</u>
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<u>Great Lakes Protection Account</u>	<u>189,000</u>	<u>-0-</u>
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(a) Ditching Delinquent Ditches: Optimizing Wetland Restoration

\$199,000 the first year is from the trust fund to the Board of Regents of the University of

Minnesota to use new techniques to identify and rank areas statewide where targeted removal of poorly functioning drainage ditches and restoration to wetlands can provide maximum human and ecological benefits, including aquifer recharge and flood prevention.

(b) Assessment of Red River Basin Project Outcomes

\$920,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Red River Watershed Management Board acting as fiscal agent for the Red River Basin Flood Damage Reduction Work Group to plan and implement multiresource monitoring at flood damage reduction and natural resource enhancement projects across the Red River Basin to evaluate outcomes and improve design of future projects at a regional scale. This appropriation is available until June 30, 2028, by which time the project must be completed and final products delivered.

(c) Wind Wave and Boating Impacts on Inland Lakes

\$415,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the St. Anthony Falls Laboratory to conduct a field study to measure the impacts of boat propeller wash and boat wakes on lake bottoms, shorelines, and water quality compared to the impacts of wind-generated waves.

(d) Finding, Capturing, and Destroying PFAS in Minnesota Waters

\$478,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to develop novel methods for the detection, sequestration, and degradation of poly- and perfluoroalkyl substances (PFAS) in Minnesota's lakes and rivers.

(e) Sinking and Suspended Microplastic Particles in Lake Superior

\$412,000 the first year is to the Board of Regents of the University of Minnesota for the Large Lakes Observatory in Duluth to investigate the abundance, characteristics, and fate of microplastic particles in Lake Superior to inform remediation strategies and analyses of environmental impacts. Of this amount, \$189,000 is from the Great Lakes protection account and \$223,000 is from the trust fund. These appropriations may also be used to educate the public about the research conducted with this appropriation.

(f) Ecotoxicological Impacts of Quinone Outside Inhibitor (QoI) Fungicides

\$279,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the University of St. Thomas to assess the ecological hazards associated with QoI fungicides and their major environmental transformation products.

(g) Brightsdale Dam Channel Restoration

\$1,004,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Fillmore County Soil and Water Conservation District to reduce sedimentation and improve aquatic habitat by restoring a channel of the north branch of the Root River at the site of a failed hydroelectric power dam that was removed in 2003.

(h) Mapping Aquifer Recharge Potential

\$391,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the St. Anthony Falls Laboratory to partner with the Freshwater Society to develop a practical tool for mapping aquifer recharge potential, demonstrate the tool with laboratory and field tests, use the tool to evaluate recharge potential of several aquifers in Minnesota, and analyze aquifer recharge policy.

(i) ALASD's Chloride Source Reduction Pilot Program

\$764,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Alexandria Lake Area Sanitary District (ALASD) to coordinate with Douglas County and the Pollution Control Agency to pilot an incentive program for residences and businesses to install high-efficiency water softeners, salt-free systems, or softener discharge disposal systems to reduce the annual salt load to Lake Winona and downstream waters. The pilot program includes rebates, inspections, community education, and water quality monitoring to measure chloride reduction success. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

(j) Removing CECs from Stormwater with Biofiltration

\$641,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the St. Anthony Falls Laboratory to develop a treatment practice design using biofiltration media to remove contaminants of emerging concern (CECs) from stormwater runoff and to provide statewide stormwater management guidance.

(k) Didymo II The North Shore Threat Continues

\$394,000 the first year is from the trust fund to the Science Museum of Minnesota for the St. Croix Watershed Research Station to identify North Shore streams with didymo, determine the risk of invasion to other streams, document didymo impacts to stream functioning, and develop strategies to prevent further spread of didymo.

(l) Leveraging Data Analytics Innovations for Watershed District Planning

\$738,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Minnehaha Creek Watershed District to integrate local and statewide data sets into a high-resolution planning tool that forecasts the impacts of changing precipitation patterns and quantitatively compares cost effectiveness and outcomes for water quality, ecological integrity, and flood prevention projects in the district. Minnehaha Creek Watershed District may license third parties to use products developed with this appropriation without further approval from the legislature or the Legislative-Citizen Commission on Minnesota Resources, provided the licensing does not generate income. This appropriation is subject to Minnesota Statutes, section 116P.10.

(m) Protecting Water in the Central Sands Region of the Mississippi River Headwaters

\$1,693,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the White Earth Band of Minnesota Chippewa Indians to conduct a policy analysis and assess aggregate irrigation impacts on water quality and quantity in the Pineland Sands region of the state.

Subd. 5. Environmental Education

3,905,000

-0-

(a) Fostering Conservation by Connecting Students to the BWCA

\$1,080,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Friends of the Boundary Waters Wilderness to connect Minnesota youth to the Boundary Waters through environmental education, experiential learning, and wilderness canoe trips.

(b) Statewide Environmental Education via PBS Outdoor Series

\$391,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Pioneer Public Broadcasting Service to produce new episodes of a statewide public television series and an educational web page designed to inspire Minnesotans to connect with the outdoors and to restore and protect the state's natural resources.

(c) Increasing Diversity in Environmental Careers

\$763,000 the first year is from the trust fund to the commissioner of natural resources in cooperation with Conservation Corps Minnesota and Iowa to ensure a stable and prepared natural resources work force in Minnesota by encouraging a diversity of students to pursue careers in environment and natural resources through internships, mentorships, and fellowships with the Department of Natural Resources, the Board of Water and Soil Resources, and the Pollution Control Agency. This appropriation is available until June 30, 2028, by which time the project must be completed and final products delivered.

(d) Reducing Biophobia & Fostering Environmental Stewardship in Underserved Schools

\$180,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Raptor Center to foster long-lasting environmental stewardship and literacy in Minnesota youth in underserved schools by providing engaging, multiunit, standards-based environmental programming featuring positive interactions with raptors and evaluating program effectiveness and areas for improvement.

(e) Sharing Minnesota's Biggest Environmental Investment

\$628,000 the first year is from the trust fund to the Science Museum of Minnesota, in coordination with the Legislative-Citizen Commission on Minnesota Resources

(LCCMR), to increase public access to the results of LCCMR-recommended research, including through a free online interactive map, in-depth videos, and public events.

(f) North Shore Private Forestry Outreach and Implementation

\$375,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Sugarloaf: The North Shore Stewardship Association to conduct outreach to private forest landowners, develop site restoration plans, and connect landowners with restoration assistance to encourage private forest restoration and improve the ecological health of Minnesota's North Shore forest landscape.

(g) Teaching Students about Watersheds through Outdoor Science

\$290,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Minnesota Trout Unlimited to engage students in classroom and outdoor hands-on learning focused on water quality, groundwater, aquatic life, and watershed stewardship and provide youth and their families with fishing experiences to further foster a conservation ethic.

(h) Bioblitz Urban Parks: Engaging Communities in Scientific Efforts

\$198,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Minneapolis Park and Recreation Board to work with volunteers to collect baseline biodiversity data for neighborhood and regional parks to inspire stewardship and inform habitat restoration work.

Subd. 6. Aquatic and Terrestrial Invasive Species

5,104,000

-0-

(a) Northward Expansion of Ecologically Damaging Amphibians and Reptiles

\$163,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to assess the distribution and potential for expansion of key detrimental and nonnative amphibians and reptiles in Minnesota.

(b) Developing Research-Based Solutions to Minnesota's AIS Problems

\$4,941,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Minnesota Aquatic Invasive Species Research Center to conduct high-priority projects aimed at solving Minnesota's aquatic invasive species problems using rigorous science and a collaborative process. Additionally, funds may be spent to deliver research findings to end users through strategic communication and outreach. This appropriation is subject to Minnesota Statutes, section 116P.10. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

Subd. 7. Air Quality, Climate Change, and Renewable Energy

3,913,000

-0-

(a) Community Forestry AmeriCorps

\$1,500,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with ServeMinnesota to preserve and increase tree canopy throughout the state by training, supporting, and deploying AmeriCorps members to local agencies and nonprofit organizations to plant and inventory trees, develop and implement pest management plans, create and maintain nursery beds for replacement trees, and organize opportunities for community engagement in tree stewardship activities.

(b) Biochar Implementation in Habitat Restoration: A Pilot

\$185,000 the first year is from the trust fund to the commissioner of natural resources for

an agreement with Great River Greening to pilot the use of portable biochar kilns as an alternative to open-pile burning of trees and shrubs to reduce smoke and carbon emissions and produce beneficial by-products from invasive species removal and land restoration efforts.

(c) Completing Installment of the Minnesota Ecological Monitoring Network

\$1,094,000 the first year is from the trust fund to the commissioner of natural resources to improve conservation and management of Minnesota's native forests, wetlands, and grasslands by completing the Ecological Monitoring Network to measure ecosystems' change through time.

(d) Lichens as Low-Cost Air Quality Monitors in Minnesota

\$341,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to develop community science protocols for using lichens as indicators of air quality and conduct an analysis of air pollution changes across Minnesota in the present and in the past century.

(e) Environment-Friendly Decarbonizing of Steel Production with Hydrogen Plasma

\$739,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to investigate the use of microwave hydrogen plasma to reduce fossil fuel use, carbon dioxide emissions, and waste and enable the use of alternative iron resources, including lower quality iron ores, tailings, and iron ore waste piles, in the iron-making industry. This appropriation is subject to Minnesota Statutes, section 116P.10.

(f) Economic Analysis Guide for Minnesota Climate Investments

\$54,000 the first year is from the trust fund to the commissioner of the Minnesota

Pollution Control Agency to create a guide that will incorporate nation-wide best practices for considering costs, benefits, economics, and equity in Minnesota climate policy decisions.

Subd. 8. Methods to Protect or Restore Land, Water, and Habitat

15,997,000

-0-

(a) Minnesota Bee and Beneficial Species Habitat Enhancement II

\$876,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Pheasants Forever Inc. to enhance grassland habitats to benefit pollinators and other wildlife species on permanently protected lands and to collaborate with the University of Minnesota to determine best practices for seeding timing and techniques.

(b) Karner Blue Butterfly Insurance Population Establishment in Minnesota

\$405,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Three Rivers Park District to establish a breeding population of the federally endangered Karner blue butterfly on protected lands within the butterfly's northern expanding range, increase the habitat area, and evaluate the butterfly establishment effort to assist with adaptive management. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

(c) Root River Habitat Restoration at Eagle Bluff

\$866,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Eagle Bluff Environmental Learning Center to restore habitat in and alongside the Root River north of Lanesboro, Minnesota, and to conduct monitoring to ensure water quality and fish population improvements are achieved. This

appropriation is available until June 30, 2028, by which time the project must be completed and final products delivered.

(d) Restoring Mussels in Streams and Lakes - Continuation

\$825,000 the first year is from the trust fund to the commissioner of natural resources to propagate, rear, and restore native freshwater mussel assemblages and the ecosystem services they provide in the Mississippi, Cedar, and Cannon Rivers; to evaluate reintroduction success; and to inform the public on mussels and mussel conservation.

(e) Minnesota Million: Seedlings for Reforestation and CO₂ Sequestration

\$906,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, Duluth, to collaborate with The Nature Conservancy and Minnesota Extension to expand networks of seed collectors and tree growers and to research tree planting strategies to accelerate reforestation for carbon sequestration, wildlife habitat, and watershed resilience.

(f) Panoway on Wayzata Bay Shoreline Restoration Project

\$200,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Wayzata to restore native lake bottom and shoreline vegetation to improve shoreline stability, wildlife habitat, and the natural beauty of Lake Minnetonka's Wayzata Bay. The recipient must report to the Legislative-Citizen Commission on Minnesota Resources on the effectiveness of any new methods tested while conducting the project and may use a portion of the appropriation to prepare that report.

(g) Pollinator Central III: Habitat Improvement with Community Monitoring

\$190,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Great River Greening to restore and enhance pollinator habitat in parks, schools, and other public spaces to benefit pollinators and people and to build knowledge about impacts of the pollinator plantings through community-based monitoring.

(h) Restoring Forests and Savannas Using Silvopasture - Phase II

\$674,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Great River Greening to continue to partner with the University of Minnesota and the Sustainable Farming Association to demonstrate, evaluate, and increase adoption of the combined use of intensive tree, forage, and grazing as a method to restore and manage forest and savanna habitats.

(i) Minnesota Community Schoolyards

\$1,433,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with The Trust for Public Land to engage students and communities to create nature-focused habitat improvements at schoolyards across the state to increase environmental outcomes and encourage outdoor learning.

(j) Pollinator Enhancement and Mississippi River Shoreline Restoration

\$187,000 the first year is from the trust fund to the adjutant general of the Department of Military Affairs to restore native prairie, support pollinator plantings, and stabilize a large section of stream bank along the Mississippi River within Camp Ripley.

(k) Conservation Cooperative for Working Lands

\$2,611,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Pheasants Forever Inc.

to collaborate with Natural Resources Conservation Service, Board of Water and Soil Resources, and Minnesota Association of Soil and Water Conservation Districts to accelerate adoption of voluntary conservation practices on working lands in Minnesota by increasing technical assistance to farmers and landowners while also attracting federal matching funds.

(l) Quantifying Environmental Benefits of Peatland Restoration in Minnesota

\$754,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to quantify the capacity of restored peatlands to store and accumulate atmospheric carbon and prevent release of accumulated mercury into the surrounding environment. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

(m) Renewing Access to an Iconic North Shore Vista

\$197,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Superior Hiking Trail Association to use national trail design best practices to renew trails and a campground along the Bean and Bear Lakes section of the Superior Hiking Trail that provides access to one of Minnesota's most iconic vistas.

(n) Addressing Erosion Along High Use River Loops

\$368,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Superior Hiking Trail Association to rehabilitate and renew popular river loops of the Superior Hiking Trail to withstand high visitor use and serve Minnesotans for years to come.

(o) Pollinator Habitat Creation at Minnesota Closed Landfills

\$1,508,000 the first year is from the trust fund to the commissioner of the Minnesota

Pollution Control Agency to conduct a pilot project to create pollinator habitat at closed landfill sites in the closed landfill program. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

(p) Enhancing Habitat Connectivity within the Urban Mississippi Flyway

\$190,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Minneapolis Park and Recreation Board to enhance and restore habitat in and between urban neighborhood parks and the Mississippi River to benefit animals, plants, and neighborhoods traditionally disconnected from nature and to raise awareness of the Mississippi River Flyway.

(q) Statewide Diversion of Furniture and Mattress Waste Pilots

\$2,833,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with EMERGE Community Development to work collaboratively with the University of Minnesota, Second Chance Recycling, and local governments to test and implement methods to expand mattress and furniture recycling statewide, including by researching value-add commodity markets for recycled materials, piloting mattress collection in greater Minnesota counties, piloting curbside furniture collection in the metropolitan area, and increasing facility capacity to recycle collected mattresses. Any revenue generated from selling products or assets developed or acquired with this appropriation must be repaid to the trust fund unless a plan is approved for reinvestment of income in the project. This appropriation is subject to Minnesota Statutes, section 116P.10.

(r) Phelps Mill Wetland and Prairie Restoration

\$974,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Otter Tail County to plan, engineer, and restore wetlands and prairie within the newly expanded Phelps Mill County Park to improve habitat connectivity for wildlife and enhance recreational experiences for users. Up to \$322,000 of this appropriation may be used to plan, engineer, and construct a boardwalk, viewing platforms, and soft trails within the park. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

Subd. 9. Land Acquisition, Habitat, and Recreation

31,241,000

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(a) SNA Stewardship, Outreach, and Biodiversity Protection

\$1,919,000 the first year is from the trust fund to the commissioner of natural resources to restore and enhance exceptional habitat on scientific and natural areas (SNAs), increase public involvement and outreach, and strategically acquire lands that meet criteria for SNAs under Minnesota Statutes, section 86A.05, from willing sellers. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

(b) Wannigan Regional Park Land Acquisition

\$727,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Frazee to acquire land for protecting and enhancing natural resources and for future development as Wannigan Regional Park, where the Heartland State, North Country National, and Otter Tail River Water Trails will meet. Initial site development or restoration work may be conducted with this appropriation.

(c) Local Parks, Trails, and Natural Areas Grant Programs

\$3,802,000 the first year is from the trust fund to the commissioner of natural resources to solicit and rank applications and fund competitive matching grants for local parks, trail connections, and natural and scenic areas under Minnesota Statutes, section 85.019. This appropriation is for local nature-based recreation, connections to regional and state natural areas, and recreation facilities and may not be used for athletic facilities such as sport fields, courts, and playgrounds.

(d) Outreach and Stewardship Through the Native Prairie Bank Program

\$620,000 the first year is from the trust fund to the commissioner of natural resources to enhance and monitor lands enrolled in the native prairie bank and to provide outreach and technical assistance to landowners, practitioners, and the public to increase awareness and stewardship of the state's remaining native prairie. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

(e) Minnesota State Trails Development

\$4,952,000 the first year is from the trust fund to the commissioner of natural resources to expand recreational opportunities on Minnesota state trails by rehabilitating and enhancing existing state trails and replacing or repairing existing state trail bridges.

(f) Construction of East Park

\$700,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of St. Joseph to increase recreational opportunities and access at East Park along the Sauk River in St. Joseph through enhancements such as a canoe and kayak access, a floating dock, paved and mowed trails, and parking entrance improvements.

(g) Scandia Gateway Trail to William O'Brien State Park

\$2,689,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Scandia to engineer and construct a segment of the Gateway State Trail between the city of Scandia and William O'Brien State Park that will be maintained by the Department of Natural Resources. The segment to be constructed includes a pedestrian tunnel and trailhead parking area. This project must be designed and constructed in accordance with Department of Natural Resources state trail standards. Engineering and construction plans must be approved by the commissioner of natural resources before construction may commence. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

(h) Grand Marais Mountain Bike Trail Rehabilitation - Phase II

\$200,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Superior Cycling Association to rehabilitate and modify existing mountain bike trails at Pincushion Mountain to increase the trail's environmental sustainability and provide better access to beginner and adaptive cyclers.

(i) Acquisition of State Parks and Trails Inholdings

\$5,425,000 the first year is from the trust fund to the commissioner of natural resources to acquire high-priority inholdings from willing sellers within the legislatively authorized boundaries of state parks, recreation areas, and trails to protect Minnesota's natural heritage, enhance outdoor recreation, and improve the efficiency of public land management. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

(j) St. Louis River Re-Connect - Phase II

\$1,375,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Duluth to increase recreational opportunities and access to the Waabizheshikana hiking and water trails in West Duluth with trail and trailhead enhancements such as accessible canoe and kayak launches, picnic areas, and restrooms; restored habitat; stormwater improvements; directional signage, and trailside interpretation. This appropriation may also be used to partner with the St. Louis River Alliance to create an ambassadors program to engage the surrounding community and facilitate use of the trails.

(k) City of Biwabik Recreation

\$1,306,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Biwabik to reconstruct and renovate Biwabik Recreation Area's access road, parking area, and bathroom facilities.

(l) Silver Bay Multimodal Trailhead Project

\$1,970,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Silver Bay to develop a multimodal trailhead center to provide safe access to the Superior Hiking, Gitchi-Gami Bike, and C.J. Ramstad/North Shore trails; Black Beach Park; and other recreational destinations. Before any construction costs are incurred, the city must demonstrate that all funding to complete the project are secured.

(m) Above the Falls Regional Park Restoration Planning and Acquisition

\$1,376,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Minneapolis Park and Recreation Board to acquire land along the Mississippi River from willing sellers for habitat restoration, trail development, and low-intensity recreational facilities in Above

the Falls Regional Park. This appropriation may also be used to prepare restoration plans for lands acquired. This appropriation may not be used to purchase habitable residential structures. Before the acquisition, a phase I environmental assessment must be completed and the Minneapolis Park and Recreation Board must not accept any liability for previous contamination of lands acquired with this appropriation.

(n) Redhead Mountain Bike Park

\$1,666,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Chisholm as the fiscal agent for the Minnesota Discovery Center to enhance outdoor recreational opportunities by adding trails and amenities to the Redhead Mountain Bike Park in Chisholm. Amenities may include such things as pump tracks, skills courses, changing stations, shade shakes, and signage.

(o) Maplewood State Park Trail Segment of the Perham to Pelican Rapids Regional Trail

\$2,514,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Otter Tail County to partner with the Department of Natural Resources to construct the Maplewood State Park segment of the Perham to Pelican Rapids Regional Trail. This project must be designed and constructed in accordance with Department of Natural Resources state trail standards. Engineering and construction plans must be approved by the commissioner of natural resources before construction may commence.

Subd. 10. Administration, Emerging Issues, and Contract Agreement Reimbursement

3,126,000

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(a) LCCMR Administrative Budget

\$2,133,000 the first year is from the trust fund to the Legislative-Citizen Commission on Minnesota Resources for administration

in fiscal years 2024 and 2025 as provided in Minnesota Statutes, section 116P.09, subdivision 5. This appropriation is available until June 30, 2025. Notwithstanding Minnesota Statutes, section 116P.11, paragraph (b), Minnesota Statutes, section 16A.281, applies to this appropriation.

(b) Emerging Issues

\$767,000 the first year is from the trust fund to the Legislative-Citizen Commission on Minnesota Resources to an emerging issues account authorized in Minnesota Statutes, section 116P.08, subdivision 4, paragraph (d).

(c) Contract Agreement Reimbursement

\$224,000 the first year is from the trust fund to the commissioner of natural resources, at the direction of the Legislative-Citizen Commission on Minnesota Resources, for expenses incurred in preparing and administering contracts, including for the agreements specified in this section.

(d) Legislative Coordinating Commission Legacy Website

\$2,000 the first year is from the trust fund to the Legislative Coordinating Commission for the website required in Minnesota Statutes, section 3.303, subdivision 10.

Subd. 11. Availability of Appropriations

Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the work plan approved by the Legislative-Citizen Commission on Minnesota Resources. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Costs that are directly related to and necessary for an appropriation, including financial services, human

resources, information services, rent, and utilities, are eligible only if the costs can be clearly justified and individually documented specific to the appropriation's purpose and would not be generated by the recipient but for receipt of the appropriation. No broad allocations for costs in either dollars or percentages are allowed. Unless otherwise provided, the amounts in this section are available for three years beginning July 1, 2023, and ending June 30, 2026, when projects must be completed and final products delivered. For acquisition of real property, the appropriations in this section are available for an additional fiscal year if a binding contract for acquisition of the real property is entered into before the expiration date of the appropriation. If a project receives a federal award, the period of the appropriation is extended to equal the federal award period to a maximum trust fund appropriation length of six years.

Subd. 12. Data Availability Requirements Data

Data collected by the projects funded under this section must conform to guidelines and standards adopted by Minnesota IT Services. Spatial data must also conform to additional guidelines and standards designed to support data coordination and distribution that have been published by the Minnesota Geospatial Information Office. Descriptions of spatial data must be prepared as specified in the state's geographic metadata guideline and must be submitted to the Minnesota Geospatial Information Office. All data must be accessible and free to the public unless made private under the Data Practices Act, Minnesota Statutes, chapter 13. To the extent practicable, summary data and results of projects funded under this section should be readily accessible on the Internet and identified as having received funding from the environment and natural resources trust fund.

Subd. 13. Project Requirements

(a) As a condition of accepting an appropriation under this section, an agency or entity receiving an appropriation or a party to an agreement from an appropriation must comply with paragraphs (b) to (l) and Minnesota Statutes, chapter 116P, and must submit a work plan and annual or semiannual progress reports in the form determined by the Legislative-Citizen Commission on Minnesota Resources for any project funded in whole or in part with funds from the appropriation. Modifications to the approved work plan and budget expenditures must be made through the amendment process established by the Legislative-Citizen Commission on Minnesota Resources.

(b) A recipient of money appropriated in this section that conducts a restoration using funds appropriated in this section must use native plant species according to the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines and include an appropriate diversity of native species selected to provide habitat for pollinators throughout the growing season as required under Minnesota Statutes, section 84.973.

(c) For all restorations conducted with money appropriated under this section, a recipient must prepare an ecological restoration and management plan that, to the degree practicable, is consistent with the highest-quality conservation and ecological goals for the restoration site. Consideration should be given to soil, geology, topography, and other relevant factors that would provide the best chance for long-term success and durability of the restoration project. The plan must include the proposed timetable for implementing the restoration, including site preparation, establishment of diverse plant species, maintenance, and additional enhancement to establish the restoration;

identify long-term maintenance and management needs of the restoration and how the maintenance, management, and enhancement will be financed; and take advantage of the best-available science and include innovative techniques to achieve the best restoration.

(d) An entity receiving an appropriation in this section for restoration activities must provide an initial restoration evaluation at the completion of the appropriation and an evaluation three years after the completion of the expenditure. Restorations must be evaluated relative to the stated goals and standards in the restoration plan, current science, and, when applicable, the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines. The evaluation must determine whether the restorations are meeting planned goals, identify any problems with implementing the restorations, and, if necessary, give recommendations on improving restorations. The evaluation must be focused on improving future restorations.

(e) All restoration and enhancement projects funded with money appropriated in this section must be on land permanently protected by a conservation easement or public ownership.

(f) A recipient of money from an appropriation under this section must give consideration to contracting with Conservation Corps Minnesota for contract restoration and enhancement services.

(g) All conservation easements acquired with money appropriated under this section must:

(1) be permanent;

(2) specify the parties to an easement in the easement;

(3) specify all provisions of an agreement that are permanent;

(4) be sent to the Legislative-Citizen Commission on Minnesota Resources in an electronic format at least ten business days before closing;

(5) include a long-term monitoring and enforcement plan and funding for monitoring and enforcing the easement agreement; and

(6) include requirements in the easement document to protect the quantity and quality of groundwater and surface water through specific activities such as keeping water on the landscape, reducing nutrient and contaminant loading, and not permitting artificial hydrological modifications.

(h) For any acquisition of lands or interest in lands, a recipient of money appropriated under this section must not agree to pay more than 100 percent of the appraised value for a parcel of land using this money to complete the purchase, in part or in whole, except that up to ten percent above the appraised value may be allowed to complete the purchase, in part or in whole, using this money if permission is received in advance of the purchase from the Legislative-Citizen Commission on Minnesota Resources.

(i) For any acquisition of land or interest in land, a recipient of money appropriated under this section must give priority to high-quality natural resources or conservation lands that provide natural buffers to water resources.

(j) For new lands acquired with money appropriated under this section, a recipient must prepare an ecological restoration and management plan in compliance with paragraph (c), including sufficient funding for implementation unless the work plan addresses why a portion of the money is not necessary to achieve a high-quality restoration.

(k) To ensure public accountability for using public funds, a recipient of money appropriated under this section must, within 60 days of the transaction, provide to the Legislative-Citizen Commission on Minnesota Resources documentation of the selection process used to identify parcels acquired and provide documentation of all related transaction costs, including but not limited to appraisals, legal fees, recording fees, commissions, other similar costs, and donations. This information must be provided for all parties involved in the transaction. The recipient must also report to the Legislative-Citizen Commission on Minnesota Resources any difference between the acquisition amount paid to the seller and the state-certified or state-reviewed appraisal, if a state-certified or state-reviewed appraisal was conducted.

(l) A recipient of an appropriation from the trust fund under this section must acknowledge financial support from the environment and natural resources trust fund in project publications, signage, and other public communications and outreach related to work completed using the appropriation. Acknowledgment may occur, as appropriate, through use of the trust fund logo or inclusion of language attributing support from the trust fund. Each direct recipient of money appropriated in this section, as well as each recipient of a grant awarded pursuant to this section, must satisfy all reporting and other requirements incumbent upon constitutionally dedicated funding recipients as provided in Minnesota Statutes, section 3.303, subdivision 10, and Minnesota Statutes, chapter 116P.

(m) A recipient of an appropriation from the trust fund under this section that is receiving funding to conduct children's services, as defined in Minnesota Statutes, section 299C.61, subdivision 7, must certify to the Legislative-Citizen Commission on

Minnesota Resources, as part of the required work plan, that criminal background checks for background check crimes, as defined in Minnesota Statutes, section 299C.61, subdivision 2, are performed on all employees, contractors, and volunteers that have or may have access to a child to whom the recipient provides children's services using the appropriation.

Subd. 14. Payment Conditions and Capital Equipment Expenditures

(a) All agreements, grants, or contracts referred to in this section must be administered on a reimbursement basis unless otherwise provided in this section. Notwithstanding Minnesota Statutes, section 16A.41, expenditures made on or after July 1, 2023, or the date the work plan is approved, whichever is later, are eligible for reimbursement unless otherwise provided in this section. Periodic payments must be made upon receiving documentation that the deliverable items articulated in the approved work plan have been achieved, including partial achievements as evidenced by approved progress reports. Reasonable amounts may be advanced to projects to accommodate cash-flow needs or match federal money. The advances must be approved as part of the work plan. No expenditures for capital equipment are allowed unless expressly authorized in the project work plan.

(b) Single-source contracts as specified in the approved work plan are allowed.

Subd. 15. Purchasing Recycled and Recyclable Materials

A political subdivision, public or private corporation, or other entity that receives an appropriation under this section must use the appropriation in compliance with Minnesota Statutes, section 16C.0725, regarding purchasing recycled, repairable, and durable materials, and Minnesota Statutes, section

16C.073, regarding purchasing and using paper stock and printing.

Subd. 16. Energy Conservation and Sustainable Building Guidelines

A recipient to whom an appropriation is made under this section for a capital improvement project must ensure that the project complies with the applicable energy conservation and sustainable building guidelines and standards contained in law, including Minnesota Statutes, sections 16B.325, 216C.19, and 216C.20, and rules adopted under those sections. The recipient may use the energy planning, advocacy, and State Energy Office units of the Department of Commerce to obtain information and technical assistance on energy conservation and alternative-energy development relating to planning and constructing the capital improvement project.

Subd. 17. Accessibility

Structural and nonstructural facilities must meet the design standards in the Americans with Disabilities Act (ADA) accessibility guidelines.

Subd. 18. Carryforward; Extensions

The availability of the appropriations for the following projects is extended to June 30, 2024:

(1) Laws 2018, chapter 214, article 4, section 2, subdivision 6, paragraph (a), Minnesota Invasive Terrestrial Plants and Pests Center - Phase 4;

(2) Laws 2018, chapter 214, article 4, section 2, subdivision 8, paragraph (e), Restoring Forests in Minnesota State Parks;

(3) Laws 2019, First Special Session chapter 4, article 2, section 2, subdivision 3, paragraph (d), Minnesota Trumpeter Swan Migration Ecology and Conservation;

(4) Laws 2019, First Special Session chapter 4, article 2, section 2, subdivision 8, paragraph (g), Agricultural Weed Control Using Autonomous Mowers;

(5) Laws 2019, First Special Session chapter 4, article 2, section 2, subdivision 10, paragraph (d), Grants Management System; and

(6) Laws 2021, First Special Session chapter 6, article 5, section 2, subdivision 10, Emerging Issues Account; Wastewater Renewable Energy Demonstration Grants.

Subd. 19. Repurpose

The unencumbered amount, estimated to be \$176,000, in Laws 2021, First Special Session chapter 6, article 6, section 2, subdivision 8, paragraph (f), Restoring Upland Forests for Birds, is for examining the impacts of neonicotinoid exposure on the reproduction and survival of Minnesota's game species, including deer and prairie chicken. This amount is in addition to the appropriation under article 1, section 3, subdivision 6, for these purposes and is available until June 30, 2027.

Sec. 3. Minnesota Statutes 2022, section 116P.05, subdivision 1, is amended to read:

Subdivision 1. **Membership.** (a) A Legislative-Citizen Commission on Minnesota Resources of 17 members is created in the legislative branch, consisting of the chairs of the house of representatives and senate committees on environment and natural resources finance or designees appointed for the terms of the chairs, four members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration, and four members of the house of representatives appointed by the speaker.

(b) At least two members from the senate and two members from the house of representatives must be from the minority caucus. ~~Members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the commission.~~

(c) Seven citizens are members of the commission, five appointed by the governor, one appointed by the Senate Subcommittee on Committees of the Committee on Rules and Administration, and one appointed by the speaker of the house. The citizen members are selected and recommended to the appointing authorities according to subdivision 1a and must:

(1) have experience or expertise in the science, policy, or practice of the protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources;

(2) have strong knowledge in the state's environment and natural resource issues around the state; ~~and~~

(3) have demonstrated ability to work in a collaborative environment; and

(4) not be a registered lobbyist.

(d) Members shall develop procedures to elect a chair that rotates between legislative and citizen members each meeting. A citizen member, a senate member, and a house of representatives member shall serve as chairs. The citizen members, senate members, and house of representatives members must select their respective chairs. The chair shall preside and convene meetings as often as necessary to conduct duties prescribed by this chapter.

(e) Appointed legislative members shall serve on the commission for two-year terms, beginning in January of each odd-numbered year and continuing through the end of December of the next even-numbered year. Appointed citizen members shall serve four-year terms, beginning in January of the first year and continuing through the end of December of the final year. Citizen and legislative members continue to serve until their successors are appointed.

(f) A citizen member may be removed by an appointing authority for cause. Vacancies occurring on the commission shall not affect the authority of the remaining members of the commission to carry out their duties, and vacancies shall be filled for the remainder of the term in the same manner under paragraphs (a) to (c).

(g) Legislative members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the commission. Citizen members are entitled to per diem and reimbursement for expenses incurred in the services of the commission, as provided in section 15.059, subdivision 3, except that a citizen member may be compensated at the rate of up to \$125 a day.

(h) The governor's appointments are subject to the advice and consent of the senate. One of the governor's appointments must be a member recommended by the Tribal government representatives of the Indian Affairs Council.

(i) A citizen member may serve no more than eight years, except as necessary to fill a vacancy. A citizen member may not serve more than ten years if serving additional time to fill a vacancy.

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

Sec. 4. Minnesota Statutes 2022, section 116P.05, subdivision 1a, is amended to read:

Subd. 1a. **Citizen selection committee.** (a) The governor ~~shall~~ must appoint a Trust Fund Citizen Selection Committee of five members who come from different regions of the state and who have knowledge and experience of state environment and natural resource issues to provide recommendations for appointments under subdivision 1, paragraph (c).

(b) The duties of the Trust Fund Citizen Selection Committee ~~shall be~~ are to:

(1) identify citizen candidates to be members of the commission as part of the open appointments process under section 15.0597;

(2) request and review citizen candidate applications to be members of the commission; and

(3) interview the citizen candidates and recommend an adequate pool of candidates to be selected for commission membership by the governor, ~~the senate, and the house of representatives.~~

(c) Members serve three-year terms and are entitled to ~~travel expenses incurred to fulfill their duties under this subdivision as provided in section 15.059, subdivision 6~~ per diem and reimbursement for expenses incurred in the services of the committee, as provided in section 15.059, subdivision 3, except that a citizen selection committee member may be compensated at the rate of up to \$125 a day.

(d) A member appointed under this subdivision may not be a registered lobbyist.

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

Sec. 5. Minnesota Statutes 2022, section 116P.05, subdivision 2, is amended to read:

Subd. 2. **Duties.** (a) The commission ~~shall~~ must recommend an annual or biennial legislative bill for appropriations from the environment and natural resources trust fund and ~~shall~~ must adopt a strategic plan as provided in section 116P.08. Except as provided under section 116P.09, subdivision 6, paragraph (b), approval of the recommended legislative bill requires an affirmative vote of at least ~~12~~ 11 members of the commission.

(b) It is a condition of acceptance of the appropriations made from the Minnesota environment and natural resources trust fund, and oil overcharge money under section 4.071, subdivision 2, that the agency or entity receiving the appropriation must submit a work plan and annual or semiannual progress reports in the form determined by the Legislative-Citizen Commission on Minnesota Resources, and comply with applicable reporting requirements under section 116P.16. None of the money provided may be spent unless the commission has approved the pertinent work plan. Modifications to the approved work plan and budget expenditures ~~shall~~ must be made through the amendment process established by the commission. The commission ~~shall~~ must ensure that the expenditures and outcomes described in the work plan for appropriations funded by the environment and natural resources trust fund are met.

(c) The peer review procedures created under section 116P.08 must also be used to review, comment, and report to the commission on research proposals applying for an appropriation from the oil overcharge money under section 4.071, subdivision 2.

(d) The commission may adopt operating procedures to fulfill its duties under this chapter.

(e) As part of the operating procedures, the commission ~~shall~~ must:

(1) ensure that members' expectations are to participate in all meetings related to funding decision recommendations;

(2) recommend adequate funding for increased citizen outreach and communications for trust fund expenditure planning;

(3) allow administrative expenses as part of individual project expenditures based on need;

(4) provide for project outcome evaluation;

(5) keep the grant application, administration, and review process as simple as possible; and

(6) define and emphasize the leveraging of additional sources of money that project proposers should consider when making trust fund proposals.

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

Sec. 6. Minnesota Statutes 2022, section 116P.09, subdivision 6, is amended to read:

Subd. 6. **Conflict of interest.** (a) A commission member, a technical advisory committee member, a peer reviewer, or an employee of the commission may not participate in or vote on a decision of the commission, advisory committee, or peer review relating to an organization in which the member, peer reviewer, or employee has either a direct or indirect personal financial interest. While serving on the commission or technical advisory committee or as a peer reviewer or while an employee of the commission, a person ~~shall~~ must avoid any potential conflict of interest.

(b) A commission member may not vote on a motion regarding the final recommendations of the commission required under section 116P.05, subdivision 2, paragraph (a), if the motion relates to an organization in which the member has a direct personal financial interest. If a commission member is prohibited from voting under this paragraph, the number of affirmative votes required under section 116P.05, subdivision 2, paragraph (a), is reduced by the number of members ineligible to vote under this paragraph.

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

Sec. 7. Minnesota Statutes 2022, section 116P.11, is amended to read:

116P.11 AVAILABILITY OF FUNDS FOR DISBURSEMENT.

(a) The amount annually available from the trust fund for the legislative bill developed by the commission is as defined in the Minnesota Constitution, article XI, section 14.

(b) Any appropriated funds not encumbered ~~in the biennium in which they are appropriated by the date the appropriation expires~~ cancel and must be credited to the principal of the trust fund.

Sec. 8. Minnesota Statutes 2022, section 116P.15, is amended to read:

116P.15 CAPITAL CONSTRUCTION AND LAND ACQUISITION; RESTRICTIONS.

Subdivision 1. **Scope.** A recipient of an appropriation from the trust fund or the Minnesota future resources fund who acquires an interest in real property with the appropriation must comply with this section subdivision 2. For the purposes of this section, "interest in real property" includes, but is not limited to, an easement or fee title to property. A recipient of an appropriation from the trust

fund who uses any portion of the appropriation for a capital construction project with a total cost of \$10,000 or more must comply with subdivision 3.

Subd. 2. **Land acquisition restrictions; modification procedure.** (a) An easement, fee title, or other interest in real property acquired with an appropriation from the trust fund or the Minnesota future resources fund must be used in perpetuity or for the specific term of an easement interest for the purpose for which the appropriation was made. The ownership of the interest in real property transfers to the state if: (1) the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or work plan; or (2) restrictions are placed on the land that preclude its use for the intended purpose as specified in the appropriation.

(b) A recipient of funding who acquires an interest in real property subject to this section may not alter the intended use of the interest in real property or convey any interest in the real property acquired with the appropriation without the prior review and approval of the commission or its successor. The commission shall notify the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the trust fund or Minnesota future resources fund at least 15 business days before approval under this paragraph. The commission shall establish procedures to review requests from recipients to alter the use of or convey an interest in real property. These procedures shall allow for the replacement of the interest in real property with another interest in real property meeting the following criteria:

(1) the interest must be at least equal in fair market value, as certified by the commissioner of natural resources, to the interest being replaced; and

(2) the interest must be in a reasonably equivalent location, and have a reasonably equivalent useful conservation purpose compared to the interest being replaced, taking into consideration all effects from fragmentation of the whole habitat.

(c) A recipient of funding who acquires an interest in real property under paragraph (a) must separately record a notice of funding restrictions in the appropriate local government office where the conveyance of the interest in real property is filed. The notice of funding agreement must contain:

(1) a legal description of the interest in real property covered by the funding agreement;

(2) a reference to the underlying funding agreement;

(3) a reference to this section; and

(4) the following statement:

"This interest in real property shall be administered in accordance with the terms, conditions, and purposes of the grant agreement controlling the acquisition of the property. The interest in real property, or any portion of the interest in real property, shall not be sold, transferred, pledged, or otherwise disposed of or further encumbered without obtaining the prior written approval of the Legislative-Citizen Commission on Minnesota Resources or its successor. The ownership of the interest in real property transfers to the state if: (1) the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or work plan; or (2) restrictions are placed on the land that preclude its use for the intended purpose as specified in the appropriation."

Subd. 3. **Capital construction restrictions; modification procedure.** (a) A recipient of an appropriation from the trust fund who uses the appropriation to wholly or partially construct a building, trail, campground, or other capital asset may not alter the intended use of the capital asset or convey any interest in the capital asset for 25 years from the date the project is completed without the prior review and approval of the commission or its successor. The commission must notify the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the trust fund at least 15 business days before approval under this paragraph. The commission must establish procedures to review requests from recipients to alter the use of or convey an interest in a capital asset under this paragraph. These procedures must require that:

(1) the sale price must be at least fair market value; and

(2) the trust fund must be repaid a portion of the sale price equal to the percentage of the total funding provided by the fund for constructing the capital asset.

(b) The commission or its successor may waive the requirements under paragraph (a), clauses (1) and (2), by recommendation to the legislature if the transfer allows for a continued use of the asset in a manner consistent with the original appropriation purpose or with the purposes of the trust fund.

(c) If both a capital asset and the real property on which the asset is located were wholly or partially purchased with an appropriation from the trust fund and the commission approves a request to alter the use of or convey an interest in the real property under subdivision 2, a separate approval under this subdivision to alter the use of the capital asset is not required.

(d) A recipient of an appropriation from the trust fund who uses the appropriation to wholly or partially construct a building, trail, campground, or other capital asset must separately record a notice of funding restrictions in the appropriate local government office. The notice of funding restrictions must contain:

(1) a legal description of the interest in real property covered by the funding agreement;

(2) a reference to the underlying funding agreement;

(3) a reference to this subdivision; and

(4) the following statement:

"This interest in real property must be administered in accordance with the terms, conditions, and purposes of the grant agreement controlling the improvement of the property. The interest in real property, or any portion of the interest in real property, must not be altered from its intended use or be sold, transferred, pledged, or otherwise disposed of or further encumbered without obtaining the prior written approval of the Legislative-Citizen Commission on Minnesota Resources or its successor."

EFFECTIVE DATE. This section is effective July 1, 2025, and applies to money appropriated on or after that date.

Sec. 9. Minnesota Statutes 2022, section 116P.16, is amended to read:

116P.16 REAL PROPERTY INTERESTS; REPORT.

(a) By December 1 each year, a recipient of an appropriation from the trust fund, that is used for the acquisition of an interest in real property, including, but not limited to, an easement or fee title, or for the construction of a building, trail, campground, or other capital asset with a total cost of \$10,000 or more must submit annual reports on the status of the real property to the Legislative-Citizen Commission on Minnesota Resources or its successor in a form determined by the commission. The responsibility for reporting under this section may be transferred by the recipient of the appropriation to another person who holds the interest in the real property. To complete the transfer of reporting responsibility, the recipient of the appropriation must:

(1) inform the person to whom the responsibility is transferred of that person's reporting responsibility;

(2) inform the person to whom the responsibility is transferred of the property restrictions under section 116P.15; and

(3) provide written notice to the commission of the transfer of reporting responsibility, including contact information for the person to whom the responsibility is transferred.

(b) After the transfer, the person who holds the interest in the real property is responsible for reporting requirements under this section.

(c) The annual reporting requirements on the status of a building, trail, campground, or other capital asset with a total cost of \$10,000 or more and that was constructed with an appropriation from the trust fund expire 25 years after the date the final progress report under section 116P.05, subdivision 2, paragraph (b), is approved.

EFFECTIVE DATE. This section is effective July 1, 2025, and applies to money appropriated on or after that date.

Sec. 10. Minnesota Statutes 2022, section 116P.18, is amended to read:

116P.18 LANDS IN PUBLIC DOMAIN.

Money appropriated from the trust fund must not be used to purchase any land in fee title or a permanent conservation easement if the land in question is fully or partially owned by the state or a political subdivision of the state or was acquired fully or partially with state money, unless:

(1) the purchase creates additional direct benefit to the protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources; and

(2) the purchase is approved, prior to the acquisition, by an affirmative vote of at least ~~12~~ 11 members of the commission.

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

Sec. 11. **[116P.21] ADDITIONAL CAPITAL CONSTRUCTION PROJECT REQUIREMENTS.**

Subdivision 1. **Full funding.** If an appropriation from the trust fund for a capital construction project or project phase is not alone sufficient to complete the project or project phase and a commitment from sources other than the trust fund is required:

(1) the commitment must be in an amount that, when added to the appropriation from the trust fund, is sufficient to complete the project or project phase; and

(2) the agency administering the appropriation from the trust fund must not distribute the money until the commitment is determined to be sufficient. In determining the sufficiency of a commitment under this clause, the agency must apply the standards and principles applied by the commissioner of management and budget under section 16A.502.

Subd. 2. **Match.** A recipient of money appropriated from the trust fund for a capital construction project must provide a cash or in-kind match from nontrust fund sources of at least 25 percent of the total costs to complete the project or project phase.

Subd. 3. **Sustainable building guidelines.** The sustainable building guidelines established under sections 16B.325 and 216B.241, subdivision 9, apply to new buildings and major renovations funded from the trust fund. A recipient of money appropriated from the trust fund for a new building or major renovation must ensure that the project complies with the guidelines.

Subd. 4. **Applicability.** (a) Subdivisions 1, 2, and 3 do not apply to:

(1) a capital construction project with a total cost of less than \$10,000; or

(2) a land acquisition project.

(b) If land is acquired with trust fund money for the purpose of capital construction, the land acquisition is not exempted under paragraph (a), clause (2).

Subd. 5. **Other capital construction statutes.** The following statutes also apply to recipients of appropriations from the trust fund: sections 16B.32; 16B.326; 16B.335, subdivisions 3 and 4; 16C.054; 16C.16; 16C.28; 16C.285; 138.40; 138.665; 138.666; 177.41 to 177.44; and 471.345.

EFFECTIVE DATE. This section is effective July 1, 2025, and applies to money appropriated on or after that date.

Sec. 12. Laws 2021, First Special Session chapter 6, article 5, section 2, subdivision 9, is amended to read:

**Subd. 9. Land Acquisition,
Habitat, and Recreation**

-0- 29,901,000

(a) DNR Scientific and Natural Areas

\$3,000,000 the second year is from the trust fund to the commissioner of natural resources for the scientific and natural area (SNA) program to restore, improve, and enhance wildlife habitat on SNAs; increase public

involvement and outreach; and strategically acquire high-quality lands that meet criteria for SNAs under Minnesota Statutes, section 86A.05, from willing sellers.

(b) Private Native Prairie Conservation through Native Prairie Bank

\$2,000,000 the second year is from the trust fund to the commissioner of natural resources to provide technical stewardship assistance to private landowners, restore and enhance native prairie protected by easements in the native prairie bank, and acquire easements for the native prairie bank in accordance with Minnesota Statutes, section 84.96, including preparing initial baseline property assessments. Up to \$60,000 of this appropriation may be deposited in the natural resources conservation easement stewardship account, created in Minnesota Statutes, section 84.69, proportional to the number of easement acres acquired.

(c) Minnesota State Parks and State Trails Inholdings

\$3,500,000 the second year is from the trust fund to the commissioner of natural resources to acquire high-priority inholdings from willing sellers within the legislatively authorized boundaries of state parks, recreation areas, and trails to protect Minnesota's natural heritage, enhance outdoor recreation, and promote tourism.

(d) Grants for Local Parks, Trails, and Natural Areas

\$2,400,000 the second year is from the trust fund to the commissioner of natural resources to solicit, rank, and fund competitive matching grants for local parks, trail connections, and natural and scenic areas under Minnesota Statutes, section 85.019. This appropriation is for local nature-based recreation, connections to regional and state natural areas, and recreation facilities and may not be used for athletic facilities such as sport fields, courts, and playgrounds.

(e) Mississippi River Aquatic Habitat Restoration and Mussel Reintroduction

\$1,800,000 the second year is from the trust fund. Of this amount, \$1,549,000 is to the commissioner of natural resources for an agreement with the Minneapolis Park and Recreation Board and \$251,000 is to the commissioner of natural resources to restore lost habitat and reintroduce mussels in the Mississippi River above St. Anthony Falls. This work includes creating habitat and species restoration plans, implementing the restoration plans, and monitoring effectiveness of the restoration for multiple years after implementation. This appropriation is available until June 30, 2027, by which time the project must be completed and final products delivered.

(f) Minnesota Hunter Walking Trails: Public Land Recreational Access

\$300,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Ruffed Grouse Society to improve Minnesota's hunter walking trail system by restoring or upgrading trailheads and trails, developing new walking trails, and compiling enhanced maps for use by managers and the public.

(g) Turning Back to Rivers: Environmental and Recreational Protection

\$1,000,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with The Trust for Public Land to help local communities acquire priority land along the Mississippi, St. Croix, and Minnesota Rivers and their tributaries to protect natural resources, provide buffers for flooding, and improve access for recreation.

(h) Metropolitan Regional Parks System Land Acquisition - Phase VI

\$1,000,000 the second year is from the trust fund to the Metropolitan Council for grants

to acquire land within the approved park boundaries of the metropolitan regional park system. This appropriation must be matched by at least 40 percent of nonstate money.

(i) Minnesota State Trails Development

\$994,000 the second year is from the trust fund to the commissioner of natural resources to expand high-priority recreational opportunities on Minnesota's state trails by rehabilitating, improving, and enhancing existing state trails. The high-priority trail bridges to be rehabilitated or replaced under this appropriation include, but are not limited to, those on the Taconite, Great River Ridge, and C. J. Ramstad/Northshore State Trails.

(j) Elm Creek Restoration - Phase IV

\$500,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Champlin to conduct habitat and stream restoration of approximately 0.7 miles of Elm Creek shoreline above Mill Pond Lake and through the Elm Creek Protection Area.

(k) Superior Hiking Trail as Environmental Showcase

\$450,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Superior Hiking Trail Association to rebuild damaged and dangerous segments and create a new trail segment of the Superior Hiking Trail to minimize environmental impacts, make the trail safer for users, and make the trail more resilient for future use and conditions.

(l) Upper St. Anthony Falls Enhancements

\$2,800,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Friends of the Lock and Dam in partnership with the city of Minneapolis to design and install green infrastructure, public access, and habitat restorations on riverfront land at Upper St.

Anthony Falls for water protection, recreation, and environmental education purposes. Of this amount, up to \$600,000 is for planning, design, and engagement. No funds from this appropriation may be spent until Congress directs the U.S. Army Corps of Engineers to convey an interest in the Upper St. Anthony Falls property to the city of Minneapolis for use as a visitor center. After this congressional act is signed into law, up to \$100,000 of the planning, design, and engagement funds may be spent. The remaining planning, design, and engagement funds may be spent after a binding agreement has been secured to acquire the land or access and use rights to the land for at least 25 years. Any remaining balance of the appropriation may be spent on installing enhancements after the Upper St. Anthony Falls land has been acquired by the city of Minneapolis.

(m) Whiskey Creek and Mississippi River Water Quality, Habitat, and Recreation

\$500,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Mississippi Headwaters Board for the city of Baxter to acquire and transfer approximately 13 acres of land to the city of Baxter for future construction of water quality, habitat, and recreational improvements to protect the Mississippi River.

(n) Perham to Pelican Rapids Regional Trail (West Segment)

\$2,600,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Otter Tail County to construct the west segment of the 32-mile Perham to Pelican Rapids Regional Trail that will connect the city of Pelican Rapids to Maplewood State Park.

(o) Crow Wing County Community Natural Area Acquisition

\$400,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Crow Wing County to acquire approximately 65 acres of land adjacent to the historic fire tower property to allow for diverse recreational opportunities while protecting wildlife habitat and preventing forest fragmentation. Any revenue generated from selling products or assets developed or acquired with this appropriation must be repaid to the trust fund unless a plan is approved for reinvestment of income in the project as provided under Minnesota Statutes, section 116P.10.

(p) Rocori Trail - Phase III

\$1,200,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Rocori Trail Construction Board to design and construct Phase III of the Rocori Trail along the old Burlington Northern Santa Fe rail corridor between the cities of Cold Spring and Rockville.

(q) Mesabi Trail: New Trail and Additional Funding

\$1,000,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the St. Louis and Lake Counties Regional Railroad Authority for constructing the Mesabi Trail beginning at the intersection of County Road 20 and Minnesota State Highway 135 and terminating at 1st Avenue North and 1st Street North in the city of Biwabik in St. Louis County. This appropriation may not be spent until all Mesabi Trail projects funded with trust fund appropriations before fiscal year 2020, with the exception of the project funded under Laws 2017, chapter 96, section 2, subdivision 9, paragraph (g), are completed.

(r) Ranier Safe Harbor and Transient Dock on Rainy Lake

\$762,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Ranier to construct a dock that accommodates boats 26 feet or longer with the goal of increasing public access for boat recreation on Rainy Lake. Any revenue generated from selling products or assets developed or acquired with this appropriation must be repaid to the trust fund unless a plan is approved for reinvestment of income in the project as provided under Minnesota Statutes, section 116P.10.

(s) Crane Lake Voyageurs National Park Campground and Visitor Center

\$3,100,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the town of Crane Lake to design and construct a new campground and to plan and preliminarily prepare a site for constructing a new Voyageurs National Park visitor center on land acquired for these purposes in Crane Lake. Any revenue generated from selling products or assets developed or acquired with this appropriation must be repaid to the trust fund unless a plan is approved for reinvestment of income in the project as provided under Minnesota Statutes, section 116P.10.

(t) Chippewa County Acquisition, Recreation, and Education

\$160,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Chippewa County to acquire wetland and floodplain forest and abandoned gravel pits along the Minnesota River to provide water filtration, education, and recreational opportunities.

(u) Sportsmen's Training and Developmental Learning Center

\$85,000 the second year is from the trust fund to the commissioner of natural resources

for an agreement with the Minnesota Forest Zone Trappers Association to complete a site evaluation and master plan for the Sportsmen's Training and Developmental Learning Center near Hibbing. Any revenue generated from selling products or assets developed or acquired with this appropriation must be repaid to the trust fund unless a plan is approved for reinvestment of income in the project as provided under Minnesota Statutes, section 116P.10.

(v) Birch Lake Recreation Area

\$350,000 the second year is from the trust fund to the commissioner of natural resources for a grant to the city of Babbitt to expand the Birch Lake Recreation Area by adding a new campground to include new campsites, restrooms, and other facilities. This appropriation is available until June 30, 2025.

Sec. 13. Laws 2022, chapter 94, section 2, subdivision 5, is amended to read:

Subd. 5. Environmental Education

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4,269,000

(a) Teacher Field School: Stewardship through Nature-Based Education

\$500,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Hamline University to create an immersive, research-backed field school for teachers to use nature-based education to benefit student well-being and academic outcomes while increasing stewardship habits.

(b) Increasing K-12 Student Learning to Develop Environmental Awareness, Appreciation, and Interest

\$1,602,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Osprey Wilds Environmental Learning Center to partner with Minnesota's five other accredited residential environmental learning centers to provide needs-based scholarships to ~~at least~~ ~~25,000~~ K-12 students statewide for

immersive multiday environmental learning experiences.

(c) Expanding Access to Wildlife Learning Bird by Bird

\$276,000 the second year is from the trust fund to the commissioner of natural resources to engage young people from diverse communities in wildlife conservation through bird-watching in schools, outdoor leadership training, and participating in neighborhood bird walks.

(d) Engaging a Diverse Public in Environmental Stewardship

\$300,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Great River Greening to increase participation in natural resources restoration efforts through volunteer, internship, and youth engagement activities that target diverse audiences more accurately reflecting local demographic and socioeconomic conditions in Minnesota.

(e) Bugs Below Zero: Engaging Citizens in Winter Research

\$198,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to raise awareness about the winter life of bugs, inspire learning about stream food webs, and engage citizen scientists in research and environmental stewardship.

(f) ESTEP: Earth Science Teacher Education Project

\$495,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Minnesota Science Teachers Association to provide professional development for Minnesota science teachers in environmental and earth science to strengthen environmental education in schools.

(g) YES! Students Take Action to Complete Eco Projects

\$199,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Prairie Woods Environmental Learning Center, in partnership with Ney Nature Center and Laurentian Environmental Center, to empower Minnesota youth to connect with natural resource experts, identify ecological challenges, and take action to complete innovative projects in their communities.

(h) Increasing Diversity in Environmental Careers

\$500,000 the second year is from the trust fund to the commissioner of natural resources, in cooperation with Conservation Corps Minnesota and Iowa, to encourage a diversity of students to pursue careers in the environment and natural resources through internships, mentorships, and fellowships with the Department of Natural Resources, the Board of Water and Soil Resources, and the Pollution Control Agency.

(i) Diversity and Access to Wildlife-Related Opportunities

\$199,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to broaden the state's conservation constituency by researching diverse communities' values about nature and wildlife experiences and identifying barriers to engagement.

Sec. 14. Laws 2022, chapter 94, section 2, subdivision 8, is amended to read:

Subd. 8. Methods to Protect, Restore, and Enhance Land, Water, and Habitat

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11,294,000

(a) Minnesota's Volunteer Rare Plant Conservation Corps

\$859,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for the Minnesota Landscape Arboretum to partner with the

Department of Natural Resources and the Minnesota Native Plant Society to establish and train a volunteer corps to survey, monitor, and bank seed from Minnesota's rare plant populations and enhance the effectiveness and efficiencies of conservation efforts.

(b) Conservation Corps Veterans Service Corps Program

\$1,339,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Conservation Corps Minnesota to create a Veterans Service Corps program to accelerate natural resource restorations in Minnesota while providing workforce development opportunities for the state's veterans.

(c) Creating Seed Sources of Early-Blooming Plants for Pollinators

\$200,000 the second year is from the trust fund to the commissioner of natural resources to establish new populations of early-season flowers by hand-harvesting and propagating species that are currently lacking in prairie restorations and that are essential to pollinator health. This appropriation is available until June 30, 2026, by which time the project must be completed and final products delivered.

(d) Hastings Lake Rebecca Park Area

\$1,000,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Hastings to develop an ecological-based master plan for Lake Rebecca Park and to enhance habitat quality and construct passive recreational facilities consistent with the master plan. No funds for implementation may be spent until the master plan is complete.

(e) Pollinator Plantings and the Redistribution of Soil Toxins

\$610,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to map urban and suburban soil toxins of concern, such as heavy metals and microplastics, and to test whether pollinator plantings can redistribute these toxins in the soil of yards, parks, and community gardens and reduce exposure to humans and wildlife.

(f) PFAS Fungal-Wood Chip Filtering System

\$189,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to identify, develop, and field-test various types of waste wood chips and fungi to sequester and degrade PFAS leachate from contaminated waste sites. This appropriation is subject to Minnesota Statutes, section 116P.10.

(g) Phytoremediation for Extracting Deicing Salt

\$451,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to protect lands and waters from contamination by collaborating with the Department of Transportation to develop methods for using native plants to remediate roadside deicing salt.

(h) Mustinka River Fish and Wildlife Habitat Corridor Rehabilitation

\$2,692,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Bois de Sioux Watershed District to permanently rehabilitate a straightened reach of the Mustinka River to a naturally functioning stream channel and floodplain corridor for water, fish, and wildlife benefits.

(i) Bohemian Flats Savanna Restoration

\$286,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Minneapolis Park and Recreation Board to restore an area of compacted urban turf within Bohemian Flats

Park and adjacent to the Mississippi River to an oak savanna ecosystem.

(j) Watershed and Forest Restoration: What a Match!

\$3,318,000 the second year is from the trust fund to the Board of Water and Soil Resources, in cooperation with soil and water conservation districts, the Mille Lacs Band of Ojibwe, and the Department of Natural Resources, to acquire interests in land and to accelerate tree planting on ~~privately owned~~, protected lands for water-quality protection and carbon sequestration. Notwithstanding subdivision 14, paragraph (e), this appropriation may be spent to reforest lands protected through long-term contracts as provided in the approved work plan.

(k) River Habitat Restoration and Recreation in Melrose

\$350,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Melrose to conduct habitat restoration and create fishing, canoeing, and camping opportunities along a segment of the Sauk River within the city of Melrose and to provide public education about stream restoration, fish habitat, and the importance of natural areas.

Sec. 15. Laws 2022, chapter 94, section 2, subdivision 9, is amended to read:

Subd. 9. **Habitat and Recreation**

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26,179,000

(a) Mesabi Trail: Wahlsten Road (CR 26) ~~to~~ toward Tower

\$1,307,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the St. Louis and Lake Counties Regional Railroad Authority to acquire easements, engineer, and construct a segment of the Mesabi Trail beginning at the intersection of Wahlsten Road (CR 26) and Benson Road in Embarrass and extending ~~to~~ toward Tower.

(b) Environmental Learning Classroom with Trails

\$82,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Mountain Iron-Buhl Public Schools to build an outdoor classroom pavilion, accessible trails, and a footbridge within the Mountain Iron-Buhl School Forest to conduct environmental education that cultivates a lasting conservation ethic.

(c) Local Parks, Trails, and Natural Areas Grant Programs

\$3,560,000 the second year is from the trust fund to the commissioner of natural resources to solicit, rank, and fund competitive matching grants for local parks, trail connections, and natural and scenic areas under Minnesota Statutes, section 85.019. This appropriation is for local nature-based recreation, connections to regional and state natural areas, and recreation facilities and may not be used for athletic facilities such as sport fields, courts, and playgrounds.

(d) St. Louis River Re-Connect

\$500,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Duluth to expand recreational access along the St. Louis River and estuary by implementing the St. Louis River National Water Trail outreach plan, designing and constructing upgrades and extensions to the Waabizheshikana Trail, and installing interpretive features that describe the cultural and ecological significance of the area.

(e) Native Prairie Stewardship and Prairie Bank Easement Acquisition

\$1,353,000 the second year is from the trust fund to the commissioner of natural resources to provide technical stewardship assistance to private landowners, restore and enhance native prairie protected by easements in the native prairie bank, and acquire easements

for the native prairie bank in accordance with Minnesota Statutes, section 84.96, including preparing initial baseline property assessments. Up to \$60,000 of this appropriation may be deposited in the natural resources conservation easement stewardship account created under Minnesota Statutes, section 84.69, proportional to the number of easements acquired.

(f) Minnesota State Parks and State Trails Maintenance and Development

\$1,600,000 the second year is from the trust fund to the commissioner of natural resources for maintenance and development at state parks, recreation areas, and trails to protect Minnesota's natural heritage, enhance outdoor recreation, and improve the efficiency of public land management.

(g) Minnesota State Trails Development

\$7,387,000 the second year is from the trust fund to the commissioner of natural resources to expand recreational opportunities on Minnesota state trails by rehabilitating and enhancing existing state trails and replacing or repairing existing state trail bridges.

(h) SNA Habitat Restoration and Public Engagement

\$5,000,000 the second year is from the trust fund to the commissioner of natural resources for the scientific and natural areas (SNA) program to restore and enhance exceptional habitat on SNAs and increase public involvement and outreach.

(i) The Missing Link: Gull Lake Trail, Fairview Township

\$1,394,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Fairview Township to complete the Gull Lake Trail by engineering and constructing the trail's final segment through Fairview Township in the Brainerd Lakes area.

(j) Silver Bay Multimodal Trailhead Project

\$1,000,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Silver Bay to develop a multimodal trailhead center to provide safe access to the Superior, Gitchi-Gami, and C.J. Ramstad/North Shore trails; Black Beach Park; and other recreational destinations.

(k) Brookston Campground, Boat Launch, and Outdoor Recreational Facility

\$453,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Brookston to build a campground, boat launch, and outdoor recreation area on the banks of the St. Louis River in northeastern Minnesota. Before any trust fund dollars are spent, the city must demonstrate that all funds to complete the project are secured and a fiscal agent must be approved in the work plan.

(l) Silver Lake Trail Connection

\$727,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Virginia to design, engineer, and construct a multiuse trail that will connect Silver Lake Trail to a new Miners Entertainment and Convention Center and provide lighting on Bailey Lake Trail.

(m) Floodwood Campground Improvement Project

\$816,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Floodwood to upgrade the Floodwood Campground and connecting trails to provide high-quality nature and recreation experience for people of all ages.

(n) Ranier Safe Harbor/Transient Dock - Phase 2

\$1,000,000 the second year is from the trust fund to the commissioner of natural resources

for an agreement with the city of Ranier to construct a safe harbor and transient dock to accommodate watercraft of many sizes to improve public access for boat recreation on Rainy Lake. Before trust fund dollars are spent, a fiscal agent must be approved in the work plan. Before any trust fund dollars are spent, the city must demonstrate that all funds to complete the project are secured. Any revenue generated from selling products or assets developed or acquired with this appropriation must be repaid to the trust fund unless a plan is approved for reinvestment of income in the project as provided under Minnesota Statutes, section 116P.10.

Sec. 16. **EFFECTIVE DATE.**

Unless otherwise provided, this article is effective the day following final enactment.

ARTICLE 3

POLLUTION CONTROL

Section 1. Minnesota Statutes 2022, section 115.01, is amended by adding a subdivision to read:

Subd. 8a. **Microplastics.** "Microplastics" means particles of plastic less than 500 micrometers in size.

Sec. 2. Minnesota Statutes 2022, section 115.01, is amended by adding a subdivision to read:

Subd. 8b. **Nanoplastics.** "Nanoplastics" means plastic particles less than or equal to 100 nanometers in size.

Sec. 3. Minnesota Statutes 2022, section 115.01, is amended by adding a subdivision to read:

Subd. 10a. **Plastic.** "Plastic" means a synthetic material made from linking monomers through a chemical reaction to create a polymer chain that can be molded or extruded at high heat into various solid forms that retain their defined shapes during their life cycle and after disposal. Plastic does not mean natural polymers that have not been chemically modified.

Sec. 4. Minnesota Statutes 2022, section 115.03, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) The ~~agency~~ commissioner is hereby given and charged with the following powers and duties:

(~~a~~) (1) to administer and enforce all laws relating to the pollution of any of the waters of the state;

~~(b)~~ (2) to investigate the extent, character, and effect of the pollution of the waters of this state and to gather data and information necessary or desirable in the administration or enforcement of pollution laws, and to make such classification of the waters of the state as it may deem advisable;

~~(e)~~ (3) to establish and alter such reasonable pollution standards for any waters of the state in relation to the public use to which they are or may be put as it shall deem necessary for the purposes of this chapter and, with respect to the pollution of waters of the state, chapter 116;

~~(d)~~ (4) to encourage waste treatment, including advanced waste treatment, instead of stream low-flow augmentation for dilution purposes to control and prevent pollution;

~~(e)~~ (5) to adopt, issue, reissue, modify, deny, or revoke, enter into or enforce reasonable orders, permits, variances, standards, rules, schedules of compliance, and stipulation agreements, under such conditions as it may prescribe, in order to prevent, control or abate water pollution, or for the installation or operation of disposal systems or parts thereof, or for other equipment and facilities:

~~(1)~~ (i) requiring the discontinuance of the discharge of sewage, industrial waste or other wastes into any waters of the state resulting in pollution in excess of the applicable pollution standard established under this chapter;

~~(2)~~ (ii) prohibiting or directing the abatement of any discharge of sewage, industrial waste, or other wastes, into any waters of the state or the deposit thereof or the discharge into any municipal disposal system where the same is likely to get into any waters of the state in violation of this chapter and, with respect to the pollution of waters of the state, chapter 116, or standards or rules promulgated or permits issued pursuant thereto, and specifying the schedule of compliance within which such prohibition or abatement must be accomplished;

~~(3)~~ (iii) prohibiting the storage of any liquid or solid substance or other pollutant in a manner which does not reasonably assure proper retention against entry into any waters of the state that would be likely to pollute any waters of the state;

~~(4)~~ (iv) requiring the construction, installation, maintenance, and operation by any person of any disposal system or any part thereof, or other equipment and facilities, or the reconstruction, alteration, or enlargement of its existing disposal system or any part thereof, or the adoption of other remedial measures to prevent, control or abate any discharge or deposit of sewage, industrial waste or other wastes by any person;

~~(5)~~ (v) establishing, and from time to time revising, standards of performance for new sources taking into consideration, among other things, classes, types, sizes, and categories of sources, processes, pollution control technology, cost of achieving such effluent reduction, and any nonwater quality environmental impact and energy requirements. Said standards of performance for new sources shall encompass those standards for the control of the discharge of pollutants which reflect the greatest degree of effluent reduction which the agency determines to be achievable through application of the best available demonstrated control technology, processes, operating methods, or other alternatives, including, where practicable, a standard permitting no discharge of pollutants. New sources shall encompass buildings, structures, facilities, or installations from which there is or may be the discharge of pollutants, the construction of which is commenced after the publication by the agency of proposed rules prescribing a standard of performance which will be applicable to such source. Notwithstanding any other provision of the law of this state, any point source the

construction of which is commenced after May 20, 1973, and which is so constructed as to meet all applicable standards of performance for new sources shall, consistent with and subject to the provisions of section 306(d) of the Amendments of 1972 to the Federal Water Pollution Control Act, not be subject to any more stringent standard of performance for new sources during a ten-year period beginning on the date of completion of such construction or during the period of depreciation or amortization of such facility for the purposes of section 167 or 169, or both, of the Federal Internal Revenue Code of 1954, whichever period ends first. Construction shall encompass any placement, assembly, or installation of facilities or equipment, including contractual obligations to purchase such facilities or equipment, at the premises where such equipment will be used, including preparation work at such premises;

~~(6)~~ (vi) establishing and revising pretreatment standards to prevent or abate the discharge of any pollutant into any publicly owned disposal system, which pollutant interferes with, passes through, or otherwise is incompatible with such disposal system;

~~(7)~~ (vii) requiring the owner or operator of any disposal system or any point source to establish and maintain such records, make such reports, install, use, and maintain such monitoring equipment or methods, including where appropriate biological monitoring methods, sample such effluents in accordance with such methods, at such locations, at such intervals, and in such a manner as the agency shall prescribe, and providing such other information as the agency may reasonably require;

~~(8)~~ (viii) notwithstanding any other provision of this chapter, and with respect to the pollution of waters of the state, chapter 116, requiring the achievement of more stringent limitations than otherwise imposed by effluent limitations in order to meet any applicable water quality standard by establishing new effluent limitations, based upon section 115.01, subdivision 13, clause (b), including alternative effluent control strategies for any point source or group of point sources to insure the integrity of water quality classifications, whenever the agency determines that discharges of pollutants from such point source or sources, with the application of effluent limitations required to comply with any standard of best available technology, would interfere with the attainment or maintenance of the water quality classification in a specific portion of the waters of the state. Prior to establishment of any such effluent limitation, the agency shall hold a public hearing to determine the relationship of the economic and social costs of achieving such limitation or limitations, including any economic or social dislocation in the affected community or communities, to the social and economic benefits to be obtained and to determine whether or not such effluent limitation can be implemented with available technology or other alternative control strategies. If a person affected by such limitation demonstrates at such hearing that, whether or not such technology or other alternative control strategies are available, there is no reasonable relationship between the economic and social costs and the benefits to be obtained, such limitation shall not become effective and shall be adjusted as it applies to such person;

~~(9)~~ (ix) modifying, in its discretion, any requirement or limitation based upon best available technology with respect to any point source for which a permit application is filed after July 1, 1977, upon a showing by the owner or operator of such point source satisfactory to the agency that such modified requirements will represent the maximum use of technology within the economic capability of the owner or operator and will result in reasonable further progress toward the elimination of the discharge of pollutants; and

~~(+)~~ (x) requiring that applicants for wastewater discharge permits evaluate in their applications the potential reuses of the discharged wastewater;

~~(+)~~ (6) to require to be submitted and to approve plans and specifications for disposal systems or point sources, or any part thereof and to inspect the construction thereof for compliance with the approved plans and specifications thereof;

~~(+)~~ (7) to prescribe and alter rules, not inconsistent with law, for the conduct of the agency and other matters within the scope of the powers granted to and imposed upon it by this chapter and, with respect to pollution of waters of the state, in chapter 116, provided that every rule affecting any other department or agency of the state or any person other than a member or employee of the agency shall be filed with the secretary of state;

~~(+)~~ (8) to conduct such investigations, issue such notices, public and otherwise, and hold such hearings as are necessary or which it may deem advisable for the discharge of its duties under this chapter and, with respect to the pollution of waters of the state, under chapter 116, including, but not limited to, the issuance of permits, and to authorize any member, employee, or agent appointed by it to conduct such investigations or, issue such notices and hold such hearings;

~~(+)~~ (9) for the purpose of water pollution control planning by the state and pursuant to the Federal Water Pollution Control Act, as amended, to establish and revise planning areas, adopt plans and programs and continuing planning processes, including, but not limited to, basin plans and areawide waste treatment management plans, and to provide for the implementation of any such plans by means of, including, but not limited to, standards, plan elements, procedures for revision, intergovernmental cooperation, residual treatment process waste controls, and needs inventory and ranking for construction of disposal systems;

~~(+)~~ (10) to train water pollution control personnel; and charge ~~such training fees therefor~~ as are necessary to cover the agency's costs. All such fees received ~~shall~~ must be paid into the state treasury and credited to the Pollution Control Agency training account;

(11) to provide chloride reduction training and charge training fees as necessary to cover the agency's costs not to exceed \$350. All training fees received must be paid into the state treasury and credited to the Pollution Control Agency training account;

~~(+)~~ (12) to impose as additional conditions in permits to publicly owned disposal systems appropriate measures to insure compliance by industrial and other users with any pretreatment standard, including, but not limited to, those related to toxic pollutants, and any system of user charges ratably as is hereby required under state law or said Federal Water Pollution Control Act, as amended, or any regulations or guidelines promulgated thereunder;

~~(+)~~ (13) to set a period not to exceed five years for the duration of any national pollutant discharge elimination system permit or not to exceed ten years for any permit issued as a state disposal system permit only;

~~(+)~~ (14) to require each governmental subdivision identified as a permittee for a wastewater treatment works to evaluate in every odd-numbered year the condition of its existing system and identify future capital improvements that will be needed to attain or maintain compliance with a national pollutant discharge elimination system or state disposal system permit; and

~~(m)~~ (15) to train subsurface sewage treatment system personnel, including persons who design, construct, install, inspect, service, and operate subsurface sewage treatment systems, and charge fees as necessary to pay the agency's costs. All fees received must be paid into the state treasury and credited to the agency's training account. Money in the account is appropriated to the agency to pay expenses related to training.

(b) The information required in paragraph (a), clause ~~(m)~~ (14), must be submitted in every odd-numbered year to the commissioner on a form provided by the commissioner. The commissioner shall provide technical assistance if requested by the governmental subdivision.

(c) The powers and duties given the agency in this subdivision also apply to permits issued under chapter 114C.

Sec. 5. Minnesota Statutes 2022, section 115.061, is amended to read:

115.061 DUTY TO NOTIFY; AVOIDING WATER POLLUTION.

(a) Except as provided in paragraph (b), it is the duty of every person to notify the agency immediately of the discharge, accidental or otherwise, of any substance or material under its control which, if not recovered, may cause pollution of waters of the state, and the responsible person shall recover as rapidly and as thoroughly as possible such substance or material and take immediately such other action as may be reasonably possible to minimize or abate pollution of waters of the state caused thereby.

(b) Notification is not required under paragraph (a) for a discharge of five gallons or less of petroleum, as defined in section 115C.02, subdivision 10. This paragraph does not affect the other requirements of paragraph (a).

(c) Promptly after notifying the agency of a discharge under paragraph (a), a publicly owned treatment works or a publicly or privately owned domestic sewer system owner must provide notice to the potentially impacted public and to any downstream drinking water facility that may be impacted by the discharge. Notice to the public and to any drinking water facility must be made using the most efficient communications system available to the facility owner such as in person, telephone call, radio, social media, web page, or another expedited form. In addition, signage must be posted at all impacted public use areas within the same jurisdiction or notification must be provided to the entity that has jurisdiction over any impacted public use areas. A notice under this paragraph must include the date and time of the discharge, a description of the material released, a warning of the potential public health risk, and the permittee's contact information.

(d) The agency must provide guidance that includes but is not limited to methods and protocols for providing timely notice under this section.

Sec. 6. Minnesota Statutes 2022, section 115A.03, is amended by adding a subdivision to read:

Subd. 10b. **Environmental justice area.** "Environmental justice area" means one or more census tracts in Minnesota:

(1) in which, based on the most recent decennial census data published by the United States Census Bureau:

(i) 40 percent or more of the population is nonwhite;

(ii) 35 percent or more of the households have an income at or below 200 percent of the federal poverty level; or

(iii) 40 percent or more of the population over the age of five has limited English proficiency;
or

(2) located within Indian Country, as defined under United States Code, title 18, section 1151.

Sec. 7. Minnesota Statutes 2022, section 115A.03, is amended by adding a subdivision to read:

Subd. 37a. **Waste treated seed.** "Waste treated seed" means seed that is treated, as defined in section 21.81, subdivision 28, and that is withdrawn from sale or that the end user considers unusable or otherwise a waste.

Sec. 8. Minnesota Statutes 2022, section 115A.1415, is amended to read:

**115A.1415 ARCHITECTURAL PAINT; PRODUCT STEWARDSHIP PROGRAM;
STEWARDSHIP PLAN.**

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

(1) "annual operating expenses" means the total amount of a producer's or stewardship organization's expenses in a calendar year for developing a stewardship plan, operating and administering the program in accordance with the stewardship plan, and meeting the requirements of this section, determined at the time the annual report required under subdivision 12 is submitted;

~~(2)~~ (2) "architectural paint" means interior and exterior architectural coatings sold in containers of five gallons or less. Architectural paint does not include industrial coatings, original equipment coatings, or specialty coatings;

~~(3)~~ (3) "brand" means a name, symbol, word, or mark that identifies architectural paint, rather than its components, and attributes the paint to the owner or licensee of the brand as the producer;

~~(4)~~ (4) "discarded paint" means architectural paint that is no longer used for its manufactured purpose;

~~(5)~~ (5) "producer" means a person that:

(i) has legal ownership of the brand, brand name, or cobrand of architectural paint sold in the state;

(ii) imports architectural paint branded by a producer that meets item (i) when the producer has no physical presence in the United States;

(iii) if items (i) and (ii) do not apply, makes unbranded architectural paint that is sold in the state; or

(iv) sells architectural paint at wholesale or retail, does not have legal ownership of the brand, and elects to fulfill the responsibilities of the producer for the architectural paint by certifying that election in writing to the commissioner;

~~(5)~~ (6) "recycling" means the process of collecting and preparing recyclable materials and reusing the materials in their original form or using them in manufacturing processes that do not cause the destruction of recyclable materials in a manner that precludes further use;

~~(6)~~ (7) "retailer" means any person who offers architectural paint for sale at retail in the state;

~~(7)~~ (8) "reuse" means donating or selling collected architectural paint back into the market for its original intended use, when the architectural paint retains its original purpose and performance characteristics;

~~(8)~~ (9) "sale" or "sell" means transfer of title of architectural paint for consideration, including a remote sale conducted through a sales outlet, catalog, website, or similar electronic means. Sale or sell includes a lease through which architectural paint is provided to a consumer by a producer, wholesaler, or retailer;

~~(9)~~ (10) "stewardship assessment" means the amount added to the purchase price of architectural paint sold in the state ~~that is necessary to cover the cost of collecting, transporting, and processing postconsumer architectural paint by the producer or stewardship organization pursuant to a product stewardship program to implement a product stewardship program according to an approved stewardship plan;~~

~~(10)~~ (11) "stewardship organization" means an organization appointed by one or more producers to act as an agent on behalf of the producer to design, submit, and administer a product stewardship program under this section; and

~~(11)~~ (12) "stewardship plan" means a detailed plan describing the manner in which a product stewardship program under subdivision 2 will be implemented.

Subd. 2. **Product stewardship program.** For architectural paint sold in the state, producers must, individually or through a stewardship organization, implement and finance a statewide product stewardship program that manages the architectural paint by reducing the paint's waste generation, promoting its reuse and recycling, and providing for negotiation and execution of agreements to collect, transport, and process the architectural paint for end-of-life recycling and reuse.

Subd. 3. **Participation required to sell.** (a) ~~On and after July 1, 2014, or three months after program plan approval, whichever is sooner,~~ No producer, wholesaler, or retailer may sell or offer for sale in the state architectural paint unless the paint's producer participates in an approved stewardship plan, either individually or through a stewardship organization.

(b) Each producer must operate a product stewardship program approved by the ~~agency commissioner~~ or enter into an agreement with a stewardship organization to operate, on the producer's behalf, a product stewardship program approved by the ~~agency commissioner~~.

Subd. 4. **Stewardship plan required.** (a) ~~On or before March 1, 2014, and~~ Before offering architectural paint for sale in the state, a producer must submit a stewardship plan to the ~~agency~~.

commissioner and receive approval of the plan or must submit documentation to the agency commissioner that demonstrates the producer has entered into an agreement with a stewardship organization to be an active participant in an approved product stewardship program as described in subdivision 2. A stewardship plan must include all elements required under subdivision 5.

(b) ~~An~~ A proposed amendment to the plan, if determined necessary by the commissioner, must be submitted to the commissioner for review and approval or rejection every five years.

(c) ~~It is the responsibility of~~ The entities responsible for each stewardship plan ~~to~~ must notify the agency commissioner within 30 days of any significant proposed changes or modifications to the plan or its implementation. Within 30 days of the notification, a written proposed plan revision amendment must be submitted to the agency commissioner for review and approval or rejection.

Subd. 5. **Plan content.** A stewardship plan must contain:

(1) certification that the product stewardship program will accept all discarded paint regardless of which producer produced the architectural paint and its individual components;

(2) contact information for the individual and the entity submitting the stewardship plan, a list of all producers participating in the product stewardship program, and the brands covered by the product stewardship program;

(3) a description of the methods by which the discarded paint will be collected in all areas in the state without relying on end-of-life fees, including an explanation of how the collection system will be convenient and adequate to serve the needs of small businesses and residents in both urban and rural areas on an ongoing basis and a discussion of how the existing household hazardous waste infrastructure will be considered when selecting collection sites;

(4) a description of how the adequacy of the collection program will be monitored and maintained;

(5) the names and locations of collectors, transporters, and recyclers that will manage discarded paint;

(6) a description of how the discarded paint and the paint's components will be safely and securely transported, tracked, and handled from collection through final recycling and processing;

(7) a description of the method that will be used to reuse, deconstruct, or recycle the discarded paint to ensure that the paint's components, to the extent feasible, are transformed or remanufactured into finished products for use;

(8) a description of the promotion and outreach activities that will be used to encourage participation in the collection and recycling programs and how the activities' effectiveness will be evaluated and the program modified, if necessary;

(9) the proposed stewardship assessment. ~~The producer or stewardship organization shall propose a uniform stewardship assessment for any architectural paint sold in the state. The proposed stewardship assessment shall be reviewed by an independent auditor to ensure that the assessment does not exceed the costs of the product stewardship program and the independent auditor shall~~

~~recommend an amount for the stewardship assessment. The agency must approve the stewardship assessment established according to subdivision 5a;~~

(10) evidence of adequate insurance and financial assurance that may be required for collection, handling, and disposal operations;

(11) five-year performance goals, including an estimate of the percentage of discarded paint that will be collected, reused, and recycled during each of the first five years of the stewardship plan. The performance goals must include a specific goal for the amount of discarded paint that will be collected and recycled and reused during each year of the plan. The performance goals must be based on:

(i) the most recent collection data available for the state;

(ii) the estimated amount of architectural paint disposed of annually;

(iii) the weight of the architectural paint that is expected to be available for collection annually; and

(iv) actual collection data from other existing stewardship programs.

The stewardship plan must state the methodology used to determine these goals; and

(12) a discussion of the status of end markets for collected architectural paint and what, if any, additional end markets are needed to improve the functioning of the program.

Subd. 5a. Stewardship assessment. (a) The producer or stewardship organization must propose a uniform stewardship assessment for any architectural paint sold in the state that covers but does not exceed the costs of developing the stewardship plan, operating and administering the program in accordance with the stewardship plan and the requirements of this section, and maintaining a financial reserve.

(b) The producer or stewardship organization must retain an independent auditor to review the proposed stewardship assessment to ensure that the assessment meets the requirements of this section. The independent auditor must recommend an amount for the stewardship assessment.

(c) A stewardship organization's or producer's product stewardship program must not maintain a financial reserve in excess of 75 percent of its annual operating expenses.

(d) If the financial reserve exceeds 75 percent of the producer's or stewardship organization's annual operating expenses, the producer or stewardship organization must submit a proposed plan amendment according to subdivision 4, paragraph (c), to comply with this subdivision.

(e) A producer or stewardship organization may submit a written request to the commissioner for an extension of the time to comply with paragraphs (c) and (d). The commissioner must review and approve or reject the request. If the commissioner approves a request, the commissioner must determine the length of the extension, which must not exceed two consecutive years. The request must demonstrate that the financial reserve is projected to fall below 75 percent of the producer's or stewardship organization's annual operating expenses without a plan amendment within two years of the request.

(f) If the financial reserve falls below 60 percent of the producer's or stewardship organization's annual operating expenses, the producer or stewardship organization may submit a proposed plan amendment according to subdivision 4, paragraph (c), to comply with this subdivision.

(g) The commissioner must review and approve or reject the stewardship assessment according to subdivision 7.

(h) A producer or stewardship organization may not use any money collected through a stewardship assessment to pay for litigation against the state related to this section or to pay penalties imposed according to section 115.071 or 116.072.

Subd. 6. Consultation required. Each stewardship organization or individual producer submitting a stewardship plan or plan amendment must consult with stakeholders including retailers, contractors, collectors, recyclers, local government, and customers during the development of the plan or plan amendment.

Subd. 7. Agency Commissioner review and approval. (a) Within 90 days after ~~receipt of~~ receiving a proposed stewardship plan, the ~~agency shall~~ commissioner must determine whether the plan complies with ~~subdivision 4~~ this section. If the ~~agency~~ commissioner approves a plan, the ~~agency shall~~ commissioner must notify the applicant of the plan approval in writing. If the ~~agency~~ commissioner rejects a plan, the ~~agency shall~~ commissioner must notify the applicant in writing of the reasons for rejecting the plan.

(b) An applicant whose plan is rejected by the ~~agency~~ commissioner must submit a revised stewardship plan to the ~~agency~~ commissioner within 60 days after receiving notice of rejection.

~~(b)~~ (c) Any proposed ~~changes~~ amendment to a stewardship plan must be reviewed and approved or rejected by the ~~agency~~ commissioner in writing according to this subdivision.

Subd. 8. Plan availability. All ~~draft~~ proposed stewardship plans and amendments and approved stewardship plans ~~shall~~ and amendments must be placed on the agency's website for at least 30 days and made available at the agency's headquarters for public review and comment.

Subd. 9. Conduct authorized. A producer or stewardship organization that organizes collection, transport, and processing of architectural paint under this section is immune from liability for the conduct under state laws relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade or commerce only to the extent that the conduct is necessary to plan and implement the producer's or organization's chosen organized collection or recycling system.

Subd. 10. Producer responsibilities. (a) On and after the date of implementation of a product stewardship program according to this section, a producer of architectural paint must add the stewardship assessment, as established under subdivision 5, ~~clause (9)~~ 5a, to the cost of architectural paint sold to retailers and distributors in the state by the producer.

(b) Producers of architectural paint or the stewardship organization ~~shall~~ must provide consumers with educational materials regarding the stewardship assessment and product stewardship program. The materials must include, but are not limited to, information regarding available end-of-life management options for architectural paint offered through the product stewardship program and

information that notifies consumers that a charge for the operation of the product stewardship program is included in the purchase price of architectural paint sold in the state.

Subd. 11. **Retailer responsibilities.** (a) ~~On and after July 1, 2014, or three months after program plan approval, whichever is sooner,~~ No architectural paint may be sold in the state unless the paint's producer is participating in an approved stewardship plan.

(b) On and after the implementation date of a product stewardship program according to this section, each retailer or distributor, as applicable, must ensure that the full amount of the stewardship assessment added to the cost of architectural paint by producers under subdivision 10 is included in the purchase price of all architectural paint sold in the state.

(c) Any retailer may participate, on a voluntary basis, as a designated collection point pursuant to a product stewardship program under this section and in accordance with applicable law.

(d) No retailer or distributor shall be found to be in violation of this subdivision if, on the date the architectural paint was ordered from the producer or its agent, the producer was listed as compliant on the agency's website according to subdivision 14.

Subd. 12. **Stewardship reports.** ~~Beginning October 1, 2015,~~ By April 1 each year, producers of architectural paint sold in the state must individually or through a stewardship organization submit an annual report to the agency commissioner describing the product stewardship program for the preceding calendar year. At a minimum, the report must contain:

(1) a description of the methods used to collect, transport, and process architectural paint in all regions of the state;

(2) the weight of all architectural paint collected in all regions of the state and a comparison to the performance goals and recycling rates established in the stewardship plan;

(3) the amount of unwanted architectural paint collected in the state by method of disposition, including reuse, recycling, and other methods of processing;

(4) samples of educational materials provided to consumers and an evaluation of the effectiveness of the materials and the methods used to disseminate the materials; and

(5) an independent financial audit.

Subd. 13. **Data classification.** Trade secret and sales information, as defined under section 13.37, submitted to the agency commissioner under this section are private or nonpublic data under section 13.37.

Subd. 14. **Agency Commissioner responsibilities.** ~~The agency shall~~ commissioner must provide, on ~~its~~ the agency's website, a list of all compliant producers and brands participating in stewardship plans that the agency commissioner has approved and a list of all producers and brands the agency commissioner has identified as noncompliant with this section.

Subd. 15. **Local government responsibilities.** (a) A city, county, or other public agency may choose to participate voluntarily in a product stewardship program.

(b) Cities, counties, and other public agencies are encouraged to work with producers and stewardship organizations to assist in meeting product stewardship program reuse and recycling obligations, by providing education and outreach or using other strategies.

(c) A city, county, or other public agency that participates in a product stewardship program must report for the first year of the program to the agency commissioner using the reporting form provided by the agency commissioner on the cost savings as a result of participation and must describe how the savings were used.

Subd. 16. **Administrative fee.** (a) The stewardship organization or individual producer submitting a stewardship plan ~~shall~~ must pay an annual administrative fee to the commissioner. The agency commissioner may establish a variable fee based on relevant factors, including, but not limited to, the portion of architectural paint sold in the state by members of the organization compared to the total amount of architectural paint sold in the state by all organizations submitting a stewardship plan.

(b) ~~Prior to July 1, 2014, and Before July 1 annually thereafter~~ each year, the ~~agency shall~~ commissioner must identify the costs ~~it~~ the agency incurs under this section. The ~~agency shall~~ commissioner must set the fee at an amount that, when paid by every stewardship organization or individual producer that submits a stewardship plan, is adequate to reimburse the agency's full costs of administering this section. The total amount of annual fees collected under this subdivision must not exceed the amount necessary to reimburse costs incurred by the agency to administer this section.

(c) A stewardship organization or individual producer subject to this subdivision must pay the ~~agency's~~ commissioner's administrative fee under paragraph (a) on or before July 1, ~~2014, and~~ annually thereafter each year. Each year after the initial payment, the annual administrative fee may not exceed five percent of the aggregate stewardship assessment added to the cost of all architectural paint sold by producers in the state for the preceding calendar year.

(d) All fees received under this section ~~shall~~ must be deposited in the state treasury and credited to a product stewardship account in the special revenue fund. ~~For fiscal years 2014, 2015, 2016, and 2017,~~ The amount collected under this section is annually appropriated to the agency commissioner to implement and enforce this section.

Subd. 17. **Duty to provide information.** Upon request of the commissioner for purposes of determining compliance with this section, a person must furnish to the commissioner any information that the person has or may reasonably obtain.

Sec. 9. Minnesota Statutes 2022, section 115A.49, is amended to read:

115A.49 SOLID WASTE MANAGEMENT PROJECTS CAPITAL ASSISTANCE PROGRAM.

(a) There is established a program to encourage and assist cities, counties, solid waste management districts, and sanitary districts in the development and implementation of solid waste management projects and to transfer the knowledge and experience gained from such projects to other communities in the state.

(b) The program must be administered to encourage local communities to develop feasible and prudent alternatives to disposal, including:

- (1) waste reduction;
- (2) reuse;
- (3) recycling;
- (4) composting source-separated compostable materials or yard waste;
- (5) resource recovery;
- (6) waste separation by generators, collectors, and other persons; and
- (7) waste processing.

(c) The commissioner shall administer the program ~~in accordance with the requirements of~~ according to sections 115A.49 to 115A.54 and rules ~~promulgated~~ adopted under chapter 14. In administering the program, the commissioner shall give priority to projects in the order of preference of the waste management practices listed in section 115A.02. The commissioner shall give special consideration to areas where natural geologic and soil conditions are especially unsuitable for land disposal of solid waste; areas where the capacity of existing solid waste disposal facilities is determined by the commissioner to be less than five years; and projects serving more than one local government unit.

Sec. 10. Minnesota Statutes 2022, section 115A.51, is amended to read:

115A.51 APPLICATION REQUIREMENTS.

(a) Applications for assistance under the program must demonstrate:

- (1) that the project is conceptually and technically feasible;
- (2) that affected political subdivisions are committed to implement the project, to provide necessary local financing, and to accept and exercise the government powers necessary to the project;
- (3) that operating revenues from the project, considering the availability and security of sources of solid waste and of markets for recovered resources or the availability of materials for waste reduction or reuse, together with any proposed federal, state, or local financial assistance, will be sufficient to pay all costs over the projected life of the project;
- (4) that the applicant has evaluated the feasible and prudent alternatives to disposal, including using existing solid waste management facilities and facilities conducting waste reduction or reuse with reasonably available capacity sufficient to accomplish the goals of the proposed project, and has compared and evaluated the costs of the alternatives, including capital and operating costs, and the effects of the alternatives on the cost to generators;

(5) that the applicant has identified:

(i) waste management objectives in applicable county and regional solid waste management plans consistent with section 115A.46, subdivision 2, paragraphs (e) and (f), or 473.149, subdivision 1; and

(ii) other solid waste management facilities and facilities conducting waste reduction or reuse identified in the county and regional plans; ~~and~~

(6) that the applicant has conducted a comparative analysis of the project against existing public and private solid waste management facilities and facilities conducting waste reduction or reuse, including an analysis of potential displacement of those facilities, to determine whether the project is the most appropriate alternative to achieve the identified waste management objectives that considers:

(i) conformity with approved county or regional solid waste management plans;

(ii) consistency with the state's solid waste hierarchy and section 115A.46, subdivision 2, paragraphs (e) and (f), or 473.149, subdivision 1; and

(iii) environmental standards related to public health, air, surface water, and groundwater; ~~;~~

(7) that the applicant has evaluated the project's environmental impact on climate change, including greenhouse gas emissions; and

(8) that the applicant has reviewed the project's impact on environmental justice areas, conducted stakeholder engagement, and assessed community input.

(b) The commissioner ~~may~~ must require completion of a comprehensive solid waste management plan conforming to the requirements of section 115A.46, before accepting an application. Within five days of filing an application with the agency, the applicant must submit a copy of the application to each solid waste management facility, including each facility used for waste reduction or reuse, mentioned in the portion of the application addressing the requirements of paragraph (a), clauses (5) and (6).

Sec. 11. Minnesota Statutes 2022, section 115A.54, subdivision 1, is amended to read:

Subdivision 1. **Purposes; public interest; declaration of policy.** The legislature finds that ~~the establishment of waste processing~~ acquiring, establishing, and improving facilities that conduct waste reduction, reuse, recycling, composting source-separated compostable materials or yard waste, resource recovery, and waste processing and transfer stations serving such facilities is needed to reduce and manage properly the solid waste generated in the state and to conserve and protect the natural resources in the state and the health, safety, and welfare of its citizens; that opportunities to acquire, establish, and improve the facilities and transfer stations are not being fully realized by individual political subdivisions or by agreements among subdivisions; and that therefore it is necessary to provide capital assistance to stimulate and encourage the acquisition, establishment, and ~~betterment~~ improvement of the facilities and transfer stations.

Sec. 12. Minnesota Statutes 2022, section 115A.54, subdivision 2, is amended to read:

Subd. 2. **Administration; assurance of funds.** The commissioner shall provide technical and financial assistance ~~for the acquisition and betterment of~~ to acquire, establish, and improve the facilities and transfer stations from revenues derived from ~~the issuance of~~ issuing bonds authorized by section 115A.58. Facilities for ~~the incineration of~~ incinerating solid waste without resource recovery are not eligible for assistance. Money appropriated for the purposes of the ~~demonstration~~ program may be distributed as grants or loans. An individual project may receive assistance totaling up to 100 percent of the capital cost of the project and grants up to ~~50~~ 75 percent of the capital cost of the project. No grant or loan shall be disbursed to any recipient until the commissioner has determined the total estimated capital cost of the project and ascertained that financing of the cost is assured by funds provided by the state, by an agency of the federal government within the amount of funds then appropriated to that agency and allocated by it to projects within the state, by any person, or by the appropriation of proceeds of bonds or other funds of the recipient to a fund for ~~the construction of~~ constructing the project.

Sec. 13. Minnesota Statutes 2022, section 115A.54, subdivision 2a, as amended by Laws 2023, chapter 25, section 34, is amended to read:

Subd. 2a. **Solid waste management projects.** (a) The commissioner shall provide technical and financial assistance ~~for the acquisition and betterment of~~ to acquire, establish, and improve solid waste management projects as provided in this subdivision and section 115A.52. Money appropriated for the purposes of this subdivision must be distributed as grants.

(b) Except as provided in paragraph (c) or (d), a project may receive grant assistance up to 25 percent of the capital cost of the project or ~~\$2,000,000~~ \$5,000,000, whichever is less, except that projects constructed as a result of intercounty cooperative agreements may receive the lesser of:

- (1) grant assistance up to 25 percent of the capital cost of the project; or
- (2) ~~\$2,000,000~~ \$5,000,000 times the number of participating counties, ~~whichever is less.~~

(c) A recycling project ~~or~~, a project to compost ~~or eocompost~~ source-separated compostable material or yard waste, or a project to manage household hazardous waste may receive grant assistance up to 50 percent of the capital cost of the project or ~~\$2,000,000~~ \$5,000,000, whichever is less, except that projects completed as a result of intercounty cooperative agreements may receive the lesser of:

- (1) grant assistance up to 50 percent of the capital cost of the project; or
- (2) ~~\$2,000,000~~ \$5,000,000 times the number of participating counties, ~~whichever is less.~~

(d) The following projects may also receive grant assistance in the amounts specified in paragraph (c):

(1) a project to improve control of or reduce air emissions at an existing resource recovery facility; and

(2) a project to substantially increase the recovery of materials or energy, substantially reduce the amount or toxicity of waste processing residuals, or expand the capacity of an existing resource recovery facility to meet the resource recovery needs of an expanded region if each county from which waste is or would be received has achieved a recycling rate in excess of the goals in section

115A.551, and is implementing aggressive waste reduction and household hazardous waste management programs.

(e) A waste reduction project or reuse project may receive grant assistance up to 75 percent of the capital cost of the project or \$5,000,000, whichever is less, except that projects completed as a result of intercounty cooperative agreements may receive the lesser of:

(1) grant assistance up to 75 percent of the capital cost of the project; or

(2) \$5,000,000 times the number of participating counties.

~~(e)~~ (f) Notwithstanding paragraph ~~(f)~~ (g), the commissioner may award grants for transfer stations that will initially transfer waste to landfills if the transfer stations are part of a planned resource recovery project, the county where the planned resource recovery facility will be located has a comprehensive solid waste management plan approved by the commissioner, and the solid waste management plan proposes the development of the resource recovery facility. If the proposed resource recovery facility is not in place and operating within 16 years of the date of the grant award, the recipient shall repay the grant amount to the state.

~~(f)~~ (g) Projects without waste reduction, reuse, recycling, composting source-separated compostable material or yard waste, or resource recovery are not eligible for assistance. Solid waste disposal facilities and equipment are not eligible for assistance.

~~(g)~~ (h) In addition to any assistance received under paragraph (b), (c), ~~(d)~~, or (e), a project may receive grant assistance for the cost of tests necessary to determine the appropriate pollution control equipment for the project or the environmental effects of the use of any product or material produced by the project.

~~(h)~~ (i) In addition to the application requirements of section 115A.51, an application for a project serving eligible jurisdictions in only a single county must demonstrate that cooperation with jurisdictions in other counties to develop the project is not needed or not feasible. Each application must also demonstrate that the project is not financially prudent without the state assistance, because of the applicant's financial capacity and the problems inherent in the waste management situation in the area, particularly transportation distances and limited waste supply and markets for resources recovered.

~~(i)~~ (j) For the purposes of this subdivision, a "project" means acquisition, establishment, or improvement of a processing facility, that conducts waste reduction, reuse, recycling, composting source-separated compostable materials or yard waste, resource recovery, or waste processing, together with any transfer stations, transmission facilities, and other related and appurtenant facilities primarily serving the ~~processing~~ facility.

(k) The commissioner shall adopt rules for the program ~~by July 1, 1985.~~

~~(j)~~ (l) Notwithstanding anything in this subdivision to the contrary, a project to construct a new ~~mixed municipal~~ solid waste transfer station that has an enforceable commitment of at least ten years, or of sufficient length to retire bonds sold for the facility, to serve an existing resource recovery facility may receive grant assistance up to 75 percent of the capital cost of the project if addition of the transfer station will increase substantially the geographical area served by the resource recovery

facility and the ability of the resource recovery facility to operate more efficiently on a regional basis and the facility meets the criteria in paragraph (d), clause (2). A transfer station eligible for assistance under this paragraph is not eligible for assistance under any other paragraph of this subdivision.

Sec. 14. Minnesota Statutes 2022, section 115A.565, subdivision 1, is amended to read:

Subdivision 1. **Grant program established.** The commissioner must make competitive grants to political subdivisions or federally recognized Tribes ~~to establish curbside recycling or composting, increase for waste reduction, reuse, recycling or, and composting, reduce the amount of recyclable materials entering disposal facilities, or reduce the costs associated with hauling waste by locating collection sites as close as possible to the site where the waste is generated~~ of source-separated compostable materials or yard waste. To be eligible for grants under this section, a political subdivision or federally recognized Tribe must be located outside the seven-county metropolitan area and a city must have a population of less than 45,000.

Sec. 15. Minnesota Statutes 2022, section 115A.565, subdivision 3, is amended to read:

Subd. 3. **Priorities; eligible projects.** (a) If applications for grants exceed the available appropriations, grants must be made for projects that, in the commissioner's judgment, provide the highest return in public benefits.

(b) To be eligible to receive a grant, a project must:

(1) be locally administered;

(2) have an educational component and measurable outcomes;

(3) request \$250,000 or less;

(4) demonstrate local direct and indirect matching support of at least a quarter amount of the grant request; ~~and~~

(5) include at least one of the following elements:

~~(i) transition to residential recycling through curbside or centrally located collection sites;~~

~~(ii) development of local recycling systems to support curbside recycling; or~~

~~(iii) development or expansion of local recycling systems to support recycling bulk materials, including, but not limited to, electronic waste.~~

(i) waste reduction;

(ii) reuse;

(iii) recycling; or

(iv) composting of source-separated compostable materials or yard waste; and

(6) demonstrate that the project will reduce waste generation through waste reduction or reuse or that the project will increase the amount of recyclable materials or source-separated compostable materials diverted from a disposal facility.

Sec. 16. **[115A.993] PROHIBITED DISPOSAL METHODS.**

A person must not dispose of waste treated seed in a manner inconsistent with the product label, where applicable, or by:

- (1) burial near a drinking water source or any creek, stream, river, lake, or other surface water;
- (2) composting; or
- (3) incinerating within a home or other dwelling.

Sec. 17. Minnesota Statutes 2022, section 115B.17, subdivision 14, is amended to read:

Subd. 14. **Requests for review, investigation, and oversight.** (a) The commissioner may, upon request, assist a person in determining whether real property has been the site of a release or threatened release of a hazardous substance, pollutant, or contaminant. The commissioner may also assist in, or supervise, the development and implementation of reasonable and necessary response actions. Assistance may include review of agency records and files, and review and approval of a requester's investigation plans and reports and response action plans and implementation.

(b) Except as otherwise provided in this paragraph, the person requesting assistance under this subdivision shall pay the agency for the agency's cost, as determined by the commissioner, of providing assistance. A state agency, political subdivision, or other public entity is not required to pay for the agency's cost to review agency records and files. ~~Money received by the agency for assistance under this section~~ The first \$350,000 received annually by the agency for assistance under this subdivision from persons who are not otherwise responsible under sections 115B.01 to 115B.18 must be deposited in the remediation fund and is exempt from section 16A.1285. Money received after the first \$350,000 must be deposited in the state treasury and credited to an account in the special revenue fund. Money in the account is annually appropriated to the commissioner for the purposes of administering this subdivision.

(c) When a person investigates a release or threatened release in accordance with an investigation plan approved by the commissioner under this subdivision, the investigation does not associate that person with the release or threatened release for the purpose of section 115B.03, subdivision 3, paragraph (a), clause (4).

Sec. 18. Minnesota Statutes 2022, section 115B.171, subdivision 3, is amended to read:

Subd. 3. **Test reporting.** (a) By ~~January~~ March 15 each year, the commissioner of the Pollution Control Agency must report to each community in the east metropolitan area a summary of the results of the testing for private wells in the community. The report must include information on the number of wells tested and trends of PFC contamination in private wells in the community. Reports to communities under this section must also be published on the Pollution Control Agency's website.

(b) By ~~January~~ March 15 each year, the commissioner of the Pollution Control Agency must report to the legislature, as provided in section 3.195, on the testing for private wells conducted in the east metropolitan area, including copies of the community reports required in paragraph (a), the number of requests for well testing in each community, and the total amount spent for testing private wells in each community.

Sec. 19. Minnesota Statutes 2022, section 115B.52, subdivision 4, is amended to read:

Subd. 4. **Reporting.** The commissioner of the Pollution Control Agency and the commissioner of natural resources must jointly submit:

(1) by April 1, 2019, an implementation plan detailing how the commissioners will:

(i) determine how the priorities in the settlement will be met and how the spending will move from the first priority to the second priority and the second priority to the third priority outlined in the settlement; and

(ii) evaluate and determine what projects receive funding;

(2) by ~~February 1 and August 1~~ October 1 each year, a ~~biannual~~ report to the chairs and ranking minority members of the legislative policy and finance committees with jurisdiction over environment and natural resources on expenditures from the water quality and sustainability account during the previous ~~six months~~ fiscal year; and

(3) by ~~August~~ October 1, 2019 2023, and each year thereafter, a report to the legislature on expenditures from the water quality and sustainability account during the previous fiscal year and a spending plan for anticipated expenditures from the account during the current fiscal year.

Sec. 20. [116.064] ODOR MANAGEMENT.

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

(b) "Objectionable odor" means pollution of the ambient air beyond the property line of a facility consisting of an odor that, considering its characteristics, intensity, frequency, and duration:

(1) is, or can reasonably be expected to be, injurious to public health or welfare; or

(2) unreasonably interferes with the enjoyment of life or the use of property of persons exposed to the odor.

(c) "Odor complaint" means a notification received and recorded by the agency or by a political subdivision from an identifiable person that describes the nature, duration, and location of the odor.

Subd. 2. Application. This section applies to facilities that are located in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington.

Subd. 3. Prohibition. No person may cause or allow emission into the ambient air of any substance or combination of substances in quantities that produce an objectionable odor beyond the property line of the facility that is the source of the odor.

Subd. 4. **Odor complaints; investigation.** (a) The agency must conduct a site investigation of any facility against which ten or more verifiable odor complaints have been submitted to the agency or to local government officials within 48 hours. The investigation must include:

(1) an interview with the owner or operator of the facility against which the complaint was made;

(2) a physical examination of the facilities, equipment, operations, conditions, methods, storage areas for material inputs, chemicals and waste, and any other factors that may contribute to or are designed to mitigate the emission of odors; and

(3) testing at locations identified in the odor complaints and at other locations beyond the property line of the facility that is the source of the odor using a precision instrument capable of measuring odors in ambient air.

(b) The commissioner, based upon the agency's site investigation and the results of odor testing and considering the nature, intensity, frequency, and duration of the odor and other relevant factors, shall determine whether the odor emitted from the facility constitutes an objectionable odor. In making the determination, the commissioner may consider the opinions of a random sample of persons exposed to samples of the odor taken from ambient air beyond the property line of the facility that is the source of the odor.

(c) The agency must notify officials in local jurisdictions:

(1) of odor complaints filed with the agency regarding properties within the local jurisdiction;

(2) of any investigation of an odor complaint conducted by the agency at a facility within the local jurisdiction and the results of the investigation;

(3) that odor complaints filed with respect to properties located within those jurisdictions must be forwarded to the agency within three business days of being filed; and

(4) of any additional actions taken by the agency with respect to the complaints.

Subd. 5. **Objectionable odor; management plan.** (a) If the commissioner determines under subdivision 4 that the odor emitted from a facility is an objectionable odor, the commissioner shall require the owner of the facility to develop and submit to the agency for review within 90 days an odor management plan designed to mitigate odor emissions. The agency must provide technical assistance to the property owner in developing a management plan, including:

(1) identifying odor control technology and equipment that may reduce odor emissions; and

(2) identifying alternative methods of operation or alternative materials that may reduce odor emissions.

The commissioner may grant an extension for submission of the odor management plan for up to an additional 90 days for good cause.

(b) An odor management plan must contain, at a minimum, for each odor source contributing to odor emissions:

(1) a description of plant operations and materials that generate odors;

(2) proposed changes in equipment, operations, or materials that are designed to mitigate odor emissions;

(3) the estimated effectiveness of the plan in reducing odor emissions;

(4) the estimated cost of implementing the plan; and

(5) a schedule of plan implementation activities.

(c) The commissioner may accept, reject, or modify an odor management plan submitted under this subdivision.

(d) If the commissioner, based upon the same factors considered under subdivision 4, paragraph (b), determines that implementation of the odor management plan has failed to reduce the facility's odor emissions to a level where they are no longer objectionable odors, the commissioner shall order the facility owner to revise the odor management plan within 90 days of receipt of the commissioner's order. If the revised odor management plan is not acceptable to the commissioner or is implemented but fails to reduce the property's odor emissions to a level where they are no longer objectionable odors, the commissioner may impose penalties under section 115.071 or may modify or revoke the facility's permit under section 116.07, subdivision 4a, paragraph (d).

Subd. 6. **Exemptions.** This section does not apply to:

(1) on-farm animal and agricultural operations;

(2) motor vehicles and transportation facilities;

(3) municipal wastewater treatment plants;

(4) single-family dwellings not used for commercial purposes;

(5) materials odorized for safety purposes;

(6) painting and coating operations that are not required to be licensed;

(7) restaurants;

(8) temporary activities and operations;

(9) refineries; and

(10) Metropolitan Council wastewater systems.

Subd. 7. **Rulemaking required.** (a) The commissioner must adopt rules to implement this section, and section 14.125 does not apply.

(b) The commissioner must comply with chapter 14 and must complete the statement of need and reasonableness according to chapter 14 and section 116.07, subdivision 2, paragraph (f).

(c) The rules must include:

(1) an odor standard or standards for air pollution that may qualify as an objectionable odor under subdivision 1, paragraph (b), clause (2);

(2) a process for determining if an odor is objectionable;

(3) a process for investigating and addressing odor complaints;

(4) guidance for developing odor-management plans; and

(5) procedures and criteria for determining the success or failure of an odor-management plan.

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

Sec. 21. **[116.943] PRODUCTS CONTAINING PFAS.**

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

(b) "Adult mattress" means a mattress other than a crib mattress or toddler mattress.

(c) "Air care product" means a chemically formulated consumer product labeled to indicate that the purpose of the product is to enhance or condition the indoor environment by eliminating odors or freshening the air.

(d) "Automotive maintenance product" means a chemically formulated consumer product labeled to indicate that the purpose of the product is to maintain the appearance of a motor vehicle, including products for washing, waxing, polishing, cleaning, or treating the exterior or interior surfaces of motor vehicles. Automotive maintenance product does not include automotive paint or paint repair products.

(e) "Carpet or rug" means a fabric marketed or intended for use as a floor covering.

(f) "Cleaning product" means a finished product used primarily for domestic, commercial, or institutional cleaning purposes, including but not limited to an air care product, an automotive maintenance product, a general cleaning product, or a polish or floor maintenance product.

(g) "Commissioner" means the commissioner of the Pollution Control Agency.

(h) "Cookware" means durable houseware items used to prepare, dispense, or store food, foodstuffs, or beverages. Cookware includes but is not limited to pots, pans, skillets, grills, baking sheets, baking molds, trays, bowls, and cooking utensils.

(i) "Cosmetic" means articles, excluding soap:

(1) intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body or any part thereof for the purpose of cleansing, beautifying, promoting attractiveness, or altering the appearance; and

(2) intended for use as a component of any such article.

(j) "Currently unavoidable use" means a use of PFAS that the commissioner has determined by rule under this section to be essential for health, safety, or the functioning of society and for which alternatives are not reasonably available.

(k) "Fabric treatment" means a substance applied to fabric to give the fabric one or more characteristics, including but not limited to stain resistance or water resistance.

(l) "Intentionally added" means PFAS deliberately added during the manufacture of a product where the continued presence of PFAS is desired in the final product or one of the product's components to perform a specific function.

(m) "Juvenile product" means a product designed or marketed for use by infants and children under 12 years of age:

(1) including but not limited to a baby or toddler foam pillow; bassinet; bedside sleeper; booster seat; changing pad; child restraint system for use in motor vehicles and aircraft; co-sleeper; crib mattress; highchair; highchair pad; infant bouncer; infant carrier; infant seat; infant sleep positioner; infant swing; infant travel bed; infant walker; nap cot; nursing pad; nursing pillow; play mat; playpen; play yard; polyurethane foam mat, pad, or pillow; portable foam nap mat; portable infant sleeper; portable hook-on chair; soft-sided portable crib; stroller; and toddler mattress; and

(2) not including a children's electronic product such as a personal computer, audio and video equipment, calculator, wireless phone, game console, handheld device incorporating a video screen, or any associated peripheral such as a mouse, keyboard, power supply unit, or power cord; or an adult mattress.

(n) "Manufacturer" means the person that creates or produces a product or whose brand name is affixed to the product. In the case of a product imported into the United States, manufacturer includes the importer or first domestic distributor of the product if the person that manufactured or assembled the product or whose brand name is affixed to the product does not have a presence in the United States.

(o) "Medical device" has the meaning given "device" under United States Code, title 21, section 321, subsection (h).

(p) "Perfluoroalkyl and polyfluoroalkyl substances" or "PFAS" means a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom.

(q) "Product" means an item manufactured, assembled, packaged, or otherwise prepared for sale to consumers, including but not limited to its product components, sold or distributed for personal, residential, commercial, or industrial use, including for use in making other products.

(r) "Product component" means an identifiable component of a product, regardless of whether the manufacturer of the product is the manufacturer of the component.

(s) "Ski wax" means a lubricant applied to the bottom of snow runners, including but not limited to skis and snowboards, to improve their grip or glide properties. Ski wax includes related tuning products.

(t) "Textile" means an item made in whole or part from a natural or synthetic fiber, yarn, or fabric. Textile includes but is not limited to leather, cotton, silk, jute, hemp, wool, viscose, nylon, and polyester.

(u) "Textile furnishings" means textile goods of a type customarily used in households and businesses, including but not limited to draperies, floor coverings, furnishings, bedding, towels, and tablecloths.

(v) "Upholstered furniture" means an article of furniture that is designed to be used for sitting, resting, or reclining and that is wholly or partly stuffed or filled with any filling material.

Subd. 2. Information required. (a) On or before January 1, 2026, a manufacturer of a product sold, offered for sale, or distributed in the state that contains intentionally added PFAS must submit to the commissioner information that includes:

(1) a brief description of the product, including a universal product code (UPC), stock keeping unit (SKU), or other numeric code assigned to the product;

(2) the purpose for which PFAS are used in the product, including in any product components;

(3) the amount of each PFAS, identified by its chemical abstracts service registry number, in the product, reported as an exact quantity determined using commercially available analytical methods or as falling within a range approved for reporting purposes by the commissioner;

(4) the name and address of the manufacturer and the name, address, and phone number of a contact person for the manufacturer; and

(5) any additional information requested by the commissioner as necessary to implement the requirements of this section.

(b) With the approval of the commissioner, a manufacturer may supply the information required in paragraph (a) for a category or type of product rather than for each individual product.

(c) A manufacturer must submit the information required under this subdivision whenever a new product that contains intentionally added PFAS is sold, offered for sale, or distributed in the state and update and revise the information whenever there is significant change in the information or when requested to do so by the commissioner.

(d) A person may not sell, offer for sale, or distribute for sale in the state a product containing intentionally added PFAS if the manufacturer has failed to provide the information required under this subdivision and the person has received notification under subdivision 4.

Subd. 3. Information requirement waivers; extensions. (a) The commissioner may waive all or part of the information requirement under subdivision 2 if the commissioner determines that substantially equivalent information is already publicly available. The commissioner may grant a waiver under this paragraph to a manufacturer or a group of manufacturers for multiple products or a product category.

(b) For a pesticide regulated under chapter 18B, a fertilizer, an agricultural liming material, a plant amendment, or a soil amendment regulated under chapter 18C, a manufacturer may satisfy

the requirements of subdivision 2 by submitting the information required by that subdivision as part of its annual registration or approval process under chapter 18B or 18C. For information that is regulated under chapters 18B and 18C, the commissioner and the commissioner of agriculture must jointly determine whether to make the information publicly available based on applicable statutes.

(c) The commissioner may enter into an agreement with one or more other states or political subdivisions of a state to collect information and may accept information to a shared system as meeting the information requirement under subdivision 2.

(d) The commissioner may extend the deadline for submission by a manufacturer of the information required under subdivision 2 if the commissioner determines that more time is needed by the manufacturer to comply with the submission requirement.

Subd. 4. Testing required and certificate of compliance. (a) If the commissioner has reason to believe that a product contains intentionally added PFAS and the product is being offered for sale in the state, the commissioner may direct the manufacturer of the product to, within 30 days, provide the commissioner with testing results that demonstrate the amount of each of the PFAS, identified by its chemical abstracts service registry number, in the product, reported as an exact quantity determined using commercially available analytical methods or as falling within a range approved for reporting purposes by the commissioner.

(b) If testing demonstrates that the product does not contain intentionally added PFAS, the manufacturer must provide the commissioner a certificate attesting that the product does not contain intentionally added PFAS, including testing results and any other relevant information.

(c) If testing demonstrates that the product contains intentionally added PFAS, the manufacturer must provide the commissioner with the testing results and the information required under subdivision 2.

(d) A manufacturer must notify persons who sell or offer for sale a product prohibited under subdivision 2 or 5 that the sale of that product is prohibited in this state and provide the commissioner with a list of the names and addresses of those notified.

(e) The commissioner may notify persons who sell or offer for sale a product prohibited under subdivision 2 or 5 that the sale of that product is prohibited in this state.

Subd. 5. Prohibitions. (a) Beginning January 1, 2025, a person may not sell, offer for sale, or distribute for sale in this state the following products if the product contains intentionally added PFAS:

(1) carpets or rugs;

(2) cleaning products;

(3) cookware;

(4) cosmetics;

(5) dental floss;

- (6) fabric treatments;
- (7) juvenile products;
- (8) menstruation products;
- (9) textile furnishings;
- (10) ski wax; or
- (11) upholstered furniture.

(b) The commissioner may by rule identify additional products by category or use that may not be sold, offered for sale, or distributed for sale in this state if they contain intentionally added PFAS and designate effective dates. A prohibition adopted under this paragraph must be effective no earlier than January 1, 2025, and no later than January 1, 2032. The commissioner must prioritize the prohibition of the sale of product categories that, in the commissioner's judgment, are most likely to contaminate or harm the state's environment and natural resources if they contain intentionally added PFAS.

(c) Beginning January 1, 2032, a person may not sell, offer for sale, or distribute for sale in this state any product that contains intentionally added PFAS, unless the commissioner has determined by rule that the use of PFAS in the product is a currently unavoidable use. The commissioner may specify specific products or product categories for which the commissioner has determined the use of PFAS is a currently unavoidable use. The commissioner may not determine that the use of PFAS in a product is a currently unavoidable use if the product is listed in paragraph (a).

(d) The commissioner may not take action under paragraph (b) or (c) with respect to a pesticide, as defined under chapter 18B, a fertilizer, an agricultural liming material, a plant amendment, or a soil amendment as defined under chapter 18C, unless the commissioner of agriculture approves the action.

Subd. 6. **Fees.** The commissioner may establish by rule a fee payable by a manufacturer to the commissioner upon submission of the information required under subdivision 2 to cover the agency's reasonable costs to implement this section. Fees collected under this subdivision must be deposited in an account in the environmental fund.

Subd. 7. **Enforcement.** (a) The commissioner may enforce this section under sections 115.071 and 116.072. The commissioner may coordinate with the commissioners of agriculture, commerce, and health in enforcing this section.

(b) When requested by the commissioner, a person must furnish to the commissioner any information that the person may have or may reasonably obtain that is relevant to show compliance with this section.

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

(1) a product for which federal law governs the presence of PFAS in the product in a manner that preempts state authority;

(2) a product regulated under section 325F.072 or 325F.075; or

(3) the sale or resale of a used product.

(b) Subdivisions 4 and 5 do not apply to a prosthetic or orthotic device or to any product that is a medical device or drug or that is otherwise used in a medical setting or in medical applications regulated by the United States Food and Drug Administration.

Subd. 9. **Rules.** The commissioner may adopt rules necessary to implement this section. Section 14.125 does not apply to the commissioner's rulemaking authority under this section.

Subd. 10. **Short title.** This section is "Amara's Law."

Sec. 22. Minnesota Statutes 2022, section 116C.03, subdivision 2a, is amended to read:

Subd. 2a. **Public members.** The membership terms, compensation, removal, and filling of vacancies of public members of the board shall be as provided in section 15.0575, except that a public member may be compensated at the rate of up to \$125 a day.

Sec. 23. Minnesota Statutes 2022, section 325E.046, is amended to read:

325E.046 STANDARDS FOR LABELING PLASTIC BAGS, FOOD OR BEVERAGE PRODUCTS, AND PACKAGING.

Subdivision 1. **"Biodegradable" label.** A manufacturer, distributor, or wholesaler may not sell or offer for sale and any other person may not knowingly sell or offer for sale in this state a plastic bag covered product labeled "biodegradable," "degradable," "decomposable," or any form of those terms, or in any way imply that the bag covered product will chemically decompose into innocuous elements in a reasonably short period of time in a landfill, composting, or other terrestrial environment unless a scientifically based standard for biodegradability is developed and the bags are certified as meeting the standard. break down, fragment, degrade, biodegrade, or decompose in a landfill or other environment, unless an ASTM standard specification is adopted for the term claimed and the product is certified as meeting the specification in compliance with the provisions of subdivision 2a.

Subd. 2. **"Compostable" label.** (a) A manufacturer, distributor, or wholesaler may not sell or offer for sale and any other person may not knowingly sell or offer for sale in this state a plastic bag covered product labeled "compostable" unless, at the time of sale or offer for sale, the bag covered product:

(1) meets the ASTM Standard Specification for Compostable Labeling of Plastics Designed to be Aerobically Composted in Municipal or Industrial Facilities (D6400). Each bag must be labeled to reflect that it meets the standard. For purposes of this subdivision, "ASTM" has the meaning given in section 296A.01, subdivision 6, or its successor or the ASTM Standard Specification for Labeling of End Items that Incorporate Plastics and Polymers as Coatings or Additives with Paper and Other Substrates Designed to be Aerobically Composted in Municipal or Industrial Facilities (D6868) or its successor, and the covered product is labeled to reflect that it meets the specification;

(2) is comprised of only wood without any coatings or additives; or

(3) is comprised of only paper without any coatings or additives.

(b) A covered product labeled "compostable" and meeting the criteria under paragraph (a) must be clearly and prominently labeled on the product, or on the product's smallest unit of sale, to reflect that it is intended for an industrial or commercial compost facility. The label required under this paragraph must be in a legible text size and font.

Subd. 2a. **Certification of products.** Beginning January 1, 2026, a manufacturer, distributor, or wholesaler may not sell or offer for sale and any other person may not knowingly sell or offer for sale in this state a covered product labeled as "biodegradable" or "compostable" unless the covered product is certified as meeting the requirements of subdivision 1 or 2, as applicable, by an entity that:

(1) is a nonprofit corporation;

(2) as its primary focus of operation, promotes the production, use, and appropriate end of life for materials and products that are designed to fully biodegrade in specific biologically active environments such as industrial composting; and

(3) is technically capable of and willing to perform analysis necessary to determine a product's compliance with subdivision 1 or 2, as applicable.

Subd. 3. **Enforcement; civil penalty; injunctive relief.** (a) A ~~manufacturer, distributor, or wholesaler~~ person who violates ~~subdivision 1 or 2~~ this section is subject to a civil or administrative penalty of \$100 for each prepackaged saleable unit sold or offered for sale up to a maximum of \$5,000 and may be enjoined from those violations.

(b) The attorney general may bring an action in the name of the state in a court of competent jurisdiction for recovery of civil penalties or for injunctive relief as provided in this subdivision. The attorney general may accept an assurance of discontinuance of acts in violation of ~~subdivision 1 or 2~~ this section in the manner provided in section 8.31, subdivision 2b.

(c) The commissioner of the Pollution Control Agency may enforce this section under sections 115.071 and 116.072. The commissioner may coordinate with the commissioners of commerce and health in enforcing this section.

(d) When requested by the commissioner of the Pollution Control Agency, a person selling or offering for sale a covered product labeled as "compostable" must furnish to the commissioner any information that the person may have or may reasonably obtain that is relevant to show compliance with this section.

Subd. 4. **Definitions.** For purposes of this section, the following terms have the meanings given:

(1) "ASTM" has the meaning given in section 296A.01, subdivision 6;

(2) "covered product" means a bag, food or beverage product, or packaging;

(3) "food or beverage product" means a product that is used to wrap, package, contain, serve, store, prepare, or consume a food or beverage, such as plates, bowls, cups, lids, trays, straws, utensils, and hinged or lidded containers; and

(4) "packaging" has the meaning given in section 115A.03, subdivision 22b.

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

Sec. 24. **[325E.3892] LEAD AND CADMIUM IN CONSUMER PRODUCTS; PROHIBITION.**

Subdivision 1. **Definitions.** For purposes of this section, "covered product" means any of the following products or product components:

(1) jewelry;

(2) toys;

(3) cosmetics and personal care products;

(4) puzzles, board games, card games, and similar games;

(5) play sets and play structures;

(6) outdoor games;

(7) school supplies;

(8) pots and pans;

(9) cups, bowls, and other food containers;

(10) craft supplies and jewelry-making supplies;

(11) chalk, crayons, paints, and other art supplies;

(12) fidget spinners;

(13) costumes, costume accessories, and children's and seasonal party supplies;

(14) keys, key chains, and key rings; and

(15) clothing, footwear, headwear, and accessories.

Subd. 2. **Prohibition.** (a) A person must not import, manufacture, sell, hold for sale, or distribute or offer for use in this state any covered product containing:

(1) lead at more than 0.009 percent by total weight (90 parts per million); or

(2) cadmium at more than 0.0075 percent by total weight (75 parts per million).

(b) This section does not apply to covered products containing lead or cadmium, or both, when regulation is preempted by federal law.

Subd. 3. **Enforcement.** (a) The commissioners of the Pollution Control Agency, commerce, and health may coordinate to enforce this section. The commissioner of the Pollution Control Agency

or commerce may, with the attorney general, enforce any federal restrictions on the sale of products containing lead or cadmium, or both, as allowed under federal law. The commissioner of the Pollution Control Agency may enforce this section under sections 115.071 and 116.072. The commissioner of commerce may enforce this section under sections 45.027, subdivisions 1 to 6; 325F.10 to 325F.12; and 325F.14 to 325F.16. The attorney general may enforce this section under section 8.31.

(b) When requested by the commissioner of the Pollution Control Agency, the commissioner of commerce, or the attorney general, a person must furnish to the commissioner or attorney general any information that the person may have or may reasonably obtain that is relevant to show compliance with this section.

Sec. 25. Minnesota Statutes 2022, section 325F.072, subdivision 1, is amended to read:

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

(b) "Class B firefighting foam" means foam designed for flammable liquid fires to prevent or extinguish a fire in flammable liquids, combustible liquids, petroleum greases, tars, oils, oil-based paints, solvents, lacquers, alcohols, and flammable gases.

(c) "PFAS chemicals" or "perfluoroalkyl and polyfluoroalkyl substances" means, ~~for the purposes of firefighting agents,~~ a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom ~~and designed to be fully functional in class B firefighting foam formulations.~~

(d) "Political subdivision" means a county, city, town, or a metropolitan airports commission organized and existing under sections 473.601 to 473.679.

(e) "State agency" means an agency as defined in section 16B.01, subdivision 2.

(f) "Testing" means calibration testing, conformance testing, and fixed system testing.

Sec. 26. Minnesota Statutes 2022, section 325F.072, subdivision 3, is amended to read:

Subd. 3. **Prohibition of testing and training.** (a) ~~Beginning July 1, 2020,~~ No person, political subdivision, or state agency shall ~~discharge class B firefighting foam that contains intentionally added~~ manufacture or knowingly sell, offer for sale, distribute for sale, or distribute for use in this state, and no person shall use in this state, class B firefighting foam containing PFAS chemicals.

~~(1) for testing purposes, unless the testing facility has implemented appropriate containment, treatment, and disposal measures to prevent releases of foam to the environment; or~~

~~(2) for training purposes, unless otherwise required by law, and with the condition that the training event has implemented appropriate containment, treatment, and disposal measures to prevent releases of foam to the environment. For training purposes, class B foam that contains intentionally added PFAS chemicals shall not be used.~~

~~(b) This section does not restrict:~~

~~(1) the manufacture, sale, or distribution of class B firefighting foam that contains intentionally added PFAS chemicals; or~~

~~(2) the discharge or other use of class B firefighting foams that contain intentionally added PFAS chemicals in emergency firefighting or fire prevention operations.~~

(b) This subdivision does not apply to the manufacture, sale, distribution, or use of class B firefighting foam for which the inclusion of PFAS chemicals is required by federal law, including but not limited to Code of Federal Regulations, title 14, section 139.317. If a federal requirement to include PFAS chemicals in class B firefighting foam is revoked after January 1, 2024, class B firefighting foam subject to the revoked requirements is no longer exempt under this paragraph effective one year after the day of revocation.

(c) This subdivision does not apply to the manufacture, sale, distribution, or use of class B firefighting foam for purposes of use at an airport, as defined under section 360.013, subdivision 39, until the state fire marshal makes a determination that:

(1) the Federal Aviation Administration has provided policy guidance on the transition to fluorine-free firefighting foam;

(2) a fluorine-free firefighting foam product is included in the Federal Aviation Administration's Qualified Product Database; and

(3) a firefighting foam product included in the database under clause (2) is commercially available in quantities sufficient to reliably meet the requirements under Code of Federal Regulations, title 14, part 139.

(d) Until the state fire marshal makes a determination under paragraph (c), the operator of an airport using class B firefighting foam containing PFAS chemicals must, on or before December 31 each calendar year, submit a report to the state fire marshal regarding the status of the airport's conversion to class B firefighting foam products without intentionally added PFAS, the disposal of class B firefighting foam products with intentionally added PFAS, and an assessment of the factors listed in paragraph (c) as applied to the airport.

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

Sec. 27. Minnesota Statutes 2022, section 325F.072, is amended by adding a subdivision to read:

Subd. 3a. **Discharge for testing and training.** A person, political subdivision, or state agency exempted from the prohibitions under subdivision 3 may not discharge class B firefighting foam that contains intentionally added PFAS chemicals for:

(1) testing purposes, unless the testing facility has implemented appropriate containment, treatment, and disposal measures to prevent releases of foam to the environment; or

(2) training purposes, unless otherwise required by law, and with the condition that the training event has implemented appropriate containment, treatment, and disposal measures to prevent releases of foam to the environment.

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

Sec. 28. **TREATED SEED WASTE DISPOSAL RULEMAKING.**

The commissioner of the Pollution Control Agency, in consultation with the commissioner of agriculture and the University of Minnesota, must adopt rules under Minnesota Statutes, chapter 14, providing for the safe and lawful disposal of waste treated seed. The rules must clearly identify the regulatory jurisdiction of state agencies and local governments with regard to such seed. Additional Department of Agriculture staff will not be hired until rulemaking is completed.

Sec. 29. PETROLEUM TANK RELEASE CLEANUP; REPORT.

The commissioner of the Pollution Control Agency must perform the duties under clauses (1) to (5) with respect to the petroleum tank release cleanup program governed by Minnesota Statutes, chapter 115C, and must, no later than January 15, 2025, report the results to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over environment policy and finance. The report must include any recommendations for legislation. The commissioner must:

(1) explicitly define the conditions that must be present in order for the commissioner to classify a site as posing a low potential risk to public health and the environment and ensure that all agency staff use the definition in assessing potential risks. In determining the conditions that indicate that a site poses a low risk, the commissioner must consider relevant site conditions, including but not limited to the nature of groundwater flow, soil type, and proximity of features at or near the site that could potentially become contaminated;

(2) develop guidelines to incorporate consideration of potential future uses of a contaminated property into all agency staff decisions regarding site remediation;

(3) develop scientifically based and measurable technical standards that allow the quality of the agency's performance in remediating petroleum-contaminated properties to be evaluated and conduct such evaluations periodically;

(4) in collaboration with the Petroleum Tank Release Compensation Board and the commissioner of commerce, examine whether and how to establish technical qualifications for consultants hired to remediate petroleum-contaminated properties as a strategy to improve the quality of remediation work and how agencies can share information on consultant performance; and

(5) in collaboration with the commissioner of commerce, make consultants who remediate petroleum-contaminated sites more accountable for the quality of their work by:

(i) requiring a thorough evaluation of the past performance of a contractor being considered for hire;

(ii) developing a formal system of measures and procedures by which to evaluate the work; and

(iii) sharing evaluations with the commissioner of commerce and with responsible parties.

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

Sec. 30. PFAS MANUFACTURERS FEE WORK GROUP.

The commissioner of the Pollution Control Agency, in cooperation with the commissioners of revenue and management and budget, must establish a work group to review options for collecting

a fee from manufacturers of PFAS in the state. By February 15, 2024, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources with recommendations.

Sec. 31. **TEMPORARY EXEMPTION FOR TERMINALS AND OIL REFINERIES.**

Subdivision 1. **Temporary exemption.** Minnesota Statutes, section 325F.072, subdivision 3, does not apply to the manufacture, sale, distribution, or use of class B firefighting foam for the purposes of use at a terminal or oil refinery until January 1, 2026.

Subd. 2. **Extension; waiver.** (a) A person who operates a terminal or oil refinery may apply to the state fire marshal for a waiver to extend the exemption under subdivision 1 beyond January 1, 2026, as provided in this subdivision.

(b) The state fire marshal may grant a waiver to extend the exemption under subdivision 1 for a specific use if the applicant provides all of the following:

(1) clear and convincing evidence that there is no commercially available replacement that does not contain intentionally added PFAS chemicals and that is capable of suppressing fire for that specific use;

(2) information on the amount of firefighting foam containing intentionally added PFAS chemicals stored, used, or released on-site on an annual basis;

(3) a detailed plan, with timelines, for the operator of the terminal or oil refinery to transition to firefighting foam that does not contain intentionally added PFAS chemicals for that specific use; and

(4) a plan for meeting the requirements under subdivision 3.

(c) The state fire marshal must ensure there is an opportunity for public comment during the waiver process. The state fire marshal must consider both information provided by the applicant and information provided through public comment when making a decision on whether to grant a waiver. The term of a waiver must not exceed two years. The state fire marshal must not grant a waiver for a specific use if any other terminal or oil refinery is known to have transitioned to commercially available class B firefighting foam that does not contain intentionally added PFAS chemicals for that specific use. All waivers must expire by January 1, 2028. A person that anticipates applying for a waiver for a terminal or oil refinery must submit a notice of intent to the state fire marshal by January 1, 2025, in order to be considered for a waiver beyond January 1, 2026. The state fire marshal must notify the waiver applicant of a decision within six months of the waiver submission date.

(d) The state fire marshal must provide an applicant for a waiver under this subdivision an opportunity to:

(1) correct deficiencies when applying for a waiver; and

(2) provide evidence to dispute a determination that another terminal or oil refinery is known to have transitioned to commercially available class B firefighting foam that does not contain

intentionally added PFAS chemicals for that specific use, including evidence that the specific use is different.

Subd. 3. **Use requirements.** (a) A person that uses class B firefighting foam containing intentionally added PFAS chemicals under this section must:

(1) implement tactics that have been demonstrated to prevent release directly to the environment, such as to unsealed ground, soakage pits, waterways, or uncontrolled drains;

(2) attempt to fully contain all firefighting foams with PFAS on-site using demonstrated practices designed to contain all PFAS releases;

(3) implement containment measures such as bunds and ponds that are controlled, are impervious to PFAS chemicals, and do not allow fire water, wastewater, runoff, and other wastes to be released to the environment, such as to soils, groundwater, waterways, or stormwater; and

(4) dispose of all fire water, wastewater, runoff, impacted soils, and other wastes in a way that prevents releases to the environment.

(b) A terminal or oil refinery that has received a waiver under this section may provide and use class B firefighting foam containing intentionally added PFAS chemicals in the form of mutual aid to another terminal or oil refinery at the request of authorities only if the other terminal or oil refinery also has a waiver.

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

Sec. 32. FIREFIGHTER TURNOUT GEAR; REPORT.

(a) The commissioner of the Pollution Control Agency, in cooperation with the commissioner of health, must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources regarding perfluoroalkyl and polyfluoroalkyl substances (PFAS) in turnout gear by January 15, 2024. The report must include:

(1) current turnout gear requirements and options for eliminating or reducing PFAS in turnout gear;

(2) current turnout gear disposal methods and recommendations for future disposal to prevent PFAS contamination; and

(3) recommendations and protocols for PFAS biomonitoring in firefighters, including a process for allowing firefighters to voluntarily register for biomonitoring.

(b) For the purposes of this section, "turnout gear" is the personal protective equipment (PPE) used by firefighters.

Sec. 33. PFAS WATER QUALITY STANDARDS.

(a) The commissioner of the Pollution Control Agency must adopt rules establishing water quality standards for:

- (1) perfluorooctanoic acid (PFOA);
- (2) perfluorooctane sulfonic acid (PFOS);
- (3) perfluorononanoic acid (PFNA);
- (4) hexafluoropropylene oxide dimer acid (HFPO-DA, commonly known as GenX chemicals);
- (5) perfluorohexane sulfonic acid (PFHxS); and
- (6) perfluorobutane sulfonic acid (PFBS).

(b) The commissioner must adopt the rules establishing the water quality standards required under this section by July 1, 2026, and Minnesota Statutes, section 14.125, does not apply.

Sec. 34. HEALTH RISK LIMIT; PERFLUOROCTANE SULFONATE.

By July 1, 2026, the commissioner of health must amend the health risk limit for perfluorooctane sulfonate (PFOS) in Minnesota Rules, part 4717.7860, subpart 15, so that the health risk limit does not exceed 0.015 parts per billion. In amending the health risk limit for PFOS, the commissioner must comply with Minnesota Statutes, section 144.0751, requiring a reasonable margin of safety to adequately protect the health of infants, children, and adults.

Sec. 35. RESOURCE MANAGEMENT; REPORT.

(a) By July 15, 2025, the commissioner of the Pollution Control Agency must conduct a study and prepare a report that includes a pathway to implement resource management policies, programs, and infrastructure. The commissioner must submit the report to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over environmental policy and finance and energy policy. The report must include:

(1) an overview of how municipal solid waste is currently managed, including how much material is generated in the state and is reused, recycled, composted, digested, or disposed of;

(2) a summary of infrastructure, programs, policies, and resources needed to reduce the amount of materials disposed of in landfills or incinerators statewide by more than 90 percent over a 2021 baseline by 2045 or sooner. The summary must include analysis and recommendations of scenarios above Waste-to-Energy on the state's Waste Hierarchy that maximizes the environmental benefits when meeting the 90 percent reduction target;

(3) an analysis of:

(i) waste prevention program impacts and opportunities;

(ii) how much additional capacity is needed after prevention for reuse, recycling, composting, and anaerobic digestion systems to achieve that goal; and

(iii) what steps can be taken to implement that additional capacity, including working collaboratively with local governments, industry, and community-based organizations to invest in such facilities and to work together to seek additional state and federal funding assistance;

(4) strategic programmatic, regulatory, and policy initiatives that will be required to produce source reduction, rethink and redesign products and packaging to more efficiently use resources, and maximize diversion from disposal of materials in a way that prevents pollution and does not discharge to land, water, or air or threaten the environment or human health;

(5) recommendations for reducing the environmental and human health impacts of waste management, especially across environmental justice areas as defined under Minnesota Statutes, section 115A.03, and ensuring that the benefits of these resource management investments, including the creation of well-paying green jobs, flow to disadvantaged communities that are marginalized, underserved, and overburdened by pollution and that land, water, air, and climate impacts are considered; and

(6) a review of feasibility, assumptions, costs, and milestones necessary to meet study goals.

(b) The commissioner must obtain input from counties and cities inside and outside the seven-county metropolitan area; reuse, recycling, and composting facilities; anaerobic digestion facilities; waste haulers; environmental organizations; community-based organizations; Tribal representatives; and diverse communities located in environmental justice areas that contain a waste facility. The commissioner must provide for an open public comment period of at least 60 days on the draft report. Written public comments and commissioner responses to all those comments must be included in the final report.

Sec. 36. REPORT REQUIRED; RECYCLING AND REUSING SOLAR PHOTOVOLTAIC MODULES AND INSTALLATION COMPONENTS.

(a) The commissioner of the Pollution Control Agency, in consultation with the commissioners of commerce and employment and economic development, must coordinate preparation of a report on developing a statewide system to reuse and recycle solar photovoltaic modules and installation components in the state.

(b) The report must include options for a system to collect, reuse, and recycle solar photovoltaic modules and installation components at end of life. Any system option included in the report must be convenient and accessible throughout the state, recover 100 percent of discarded components, and maximize value and materials recovery. Any system option developed must include analysis of:

(1) the reuse and recycling values of solar photovoltaic modules, installation components, and recovered materials;

(2) system infrastructure and technology needs;

(3) how to maximize in-state employment and economic development;

(4) net costs for the program; and

(5) potential benefits and negative impacts of the plan on environmental justice and Tribal communities.

(c) The report must include a survey of solar photovoltaic modules and installation components that are currently coming out of service and those projected to come out of service in the future in Minnesota. The report must include a description of how solar photovoltaic modules and installation components are currently being managed at end of life and how they would likely be managed in the future without the proposed reuse and recycling system.

(d) After completing the report, the commissioner must convene a working group to advise on developing policy recommendations for a statewide system to manage solar photovoltaic modules and installation components. The working group must include, but is not limited to:

(1) the commissioners of commerce and employment and economic development or their designees;

(2) representatives of the solar industry and electric utilities;

(3) representatives of state, local, and Tribal governments; and

(4) other relevant stakeholders.

(e) By January 15, 2025, the commissioner must submit the report and the policy recommendations developed under this section to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources policy and finance and energy policy and finance.

Sec. 37. **REVISOR INSTRUCTION.**

The revisor of statutes must change the term "master plan" or similar term to "plan" wherever the term appears in Minnesota Statutes, sections 473.803 to 473.8441. The revisor may make grammatical changes related to the term change.

Sec. 38. **REPEALER.**

Minnesota Statutes 2022, sections 115.44, subdivision 9; 116.011; 325E.389; and 325E.3891, are repealed.

ARTICLE 4

NATURAL RESOURCES

Section 1. Minnesota Statutes 2022, section 84.02, is amended by adding a subdivision to read:

Subd. 6c. **Restored prairie.** "Restored prairie" means a restoration that uses at least 25 representative and biologically diverse native prairie plant species and that occurs on land that was previously cropped or used as pasture.

Sec. 2. Minnesota Statutes 2022, section 84.415, subdivision 3, is amended to read:

Subd. 3. **Application, form.** The application for license or permit ~~shall be in quadruplicate, and shall must include with each copy~~ a legal description of the lands or waters affected, a metes and bounds description of the required right-of-way, a map showing said features, and a detailed design

of any structures necessary, or in lieu thereof shall be in such other form, and include such other descriptions, maps or designs, as the commissioner may require. The commissioner may at any time order such changes or modifications respecting construction or maintenance of structures or other conditions of the license or permit as the commissioner deems necessary to protect the public health and safety.

Sec. 3. Minnesota Statutes 2022, section 84.415, subdivision 6, is amended to read:

Subd. 6. **Supplemental application fee and monitoring fee.** (a) In addition to the application fee and utility crossing fees specified in Minnesota Rules, the commissioner of natural resources shall assess the applicant for a utility license the following fees:

(1) ~~a to cover reasonable costs for reviewing an application and preparing a license, supplemental application fee of~~ fees as follows:

(i) \$1,750 for a public water crossing license and ~~a supplemental application fee of \$3,000 for a public lands crossing license, to cover reasonable costs for reviewing the application and preparing the license~~ for electric power lines, cables, or conduits of 100 kilovolts or more and for main pipelines for gas, liquids, or solids in suspension;

(ii) \$1,000 for a public water crossing license and \$1,000 for a public lands crossing license for applications to which item (i) does not apply; and

(iii) for all applications, an additional \$500 for each water crossing or land crossing in excess of two crossings; and

(2) a monitoring fee to cover the projected reasonable costs for monitoring the construction of the utility line and preparing special terms and conditions of the license to ensure proper construction. The commissioner must give the applicant an estimate of the monitoring fee before the applicant submits the fee.

(b) The applicant shall pay fees under this subdivision to the commissioner of natural resources. The commissioner shall not issue the license until the applicant has paid all fees in full.

(c) Upon completion of construction of the improvement for which the license or permit was issued, the commissioner shall refund the unobligated balance from the monitoring fee revenue. The commissioner shall not return the application fees, even if the application is withdrawn or denied.

~~(d) If the fees collected under paragraph (a), clause (1), are not sufficient to cover the costs of reviewing the applications and preparing the licenses, the commissioner shall improve efficiencies and otherwise reduce department costs and activities to ensure the revenues raised under paragraph (a), clause (1), are sufficient, and that no other funds are necessary to carry out the requirements.~~

(d) For purposes of this subdivision:

(1) "water crossing" means each location where the proposed utility will cross a public water between banks or shores; and

(2) "land crossing" means each quarter-quarter section or government lot where the proposed utility will cross public land.

Sec. 4. Minnesota Statutes 2022, section 84.415, subdivision 7, is amended to read:

Subd. 7. **Application fee exemption.** (a) A utility license for crossing public lands or public waters is exempt from all application fees specified ~~in this section and~~ in rules adopted under this section.

(b) This subdivision does not apply to electric power lines, cables, or conduits 100 kilovolts or greater or to main pipelines for gas, liquids, or solids in suspension.

Sec. 5. Minnesota Statutes 2022, section 84.415, is amended by adding a subdivision to read:

Subd. 9. **Fees for renewing license.** At the end of the license period, if both parties wish to renew a license, the commissioner must assess the applicant for all fees in this section as if the renewal is an application for a new license.

Sec. 6. Minnesota Statutes 2022, section 84.788, subdivision 5, is amended to read:

Subd. 5. **Report of ownership transfers; fee.** (a) Application for transfer of ownership of an off-highway motorcycle registered under this section must be made to the commissioner within 15 days of the date of transfer.

(b) An application for transfer must be executed by the ~~registered~~ current owner and the purchaser using a bill of sale that includes the vehicle serial number.

(c) The purchaser is subject to the penalties imposed by section 84.774 if the purchaser fails to apply for transfer of ownership as provided under this subdivision.

Sec. 7. Minnesota Statutes 2022, section 84.82, subdivision 2, is amended to read:

Subd. 2. **Application, issuance, issuing fee.** (a) Application for registration or reregistration shall be made to the commissioner or an authorized deputy registrar of motor vehicles in a format prescribed by the commissioner and shall state the legal name and address of every owner of the snowmobile.

(b) A person who purchases a snowmobile from a retail dealer shall make application for registration to the dealer at the point of sale. The dealer shall issue a dealer temporary 21-day registration permit to each purchaser who applies to the dealer for registration. The temporary permit must contain the dealer's identification number and phone number. Each retail dealer shall submit completed registration and fees to the deputy registrar at least once a week. No fee may be charged by a dealer to a purchaser for providing the temporary permit.

(c) Upon receipt of the application and the appropriate fee, the commissioner or deputy registrar shall issue to the applicant, or provide to the dealer, an assigned registration number or a commissioner or deputy registrar temporary 21-day permit. The registration number must be printed on a registration decal issued by the commissioner or a deputy registrar. Once issued, the registration ~~number~~ decal must be affixed to the snowmobile in a clearly visible and permanent manner for enforcement purposes ~~as the commissioner of natural resources shall prescribe~~ according to subdivision 3b. A

dealer subject to paragraph (b) shall provide the registration materials or temporary permit to the purchaser within the temporary 21-day permit period. The registration is not valid unless signed by at least one owner.

(d) Each deputy registrar of motor vehicles acting pursuant to section 168.33 shall also be a deputy registrar of snowmobiles. The commissioner of natural resources in agreement with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to ensure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with these accounting and procedural requirements.

(e) In addition to other fees prescribed by law, an issuing fee of \$4.50 is charged for each snowmobile registration renewal, duplicate or replacement registration card, and replacement decal, and an issuing fee of \$7 is charged for each snowmobile registration and registration transfer issued by:

(1) a registrar or a deputy registrar and must be deposited in the manner provided in section 168.33, subdivision 2; or

(2) the commissioner and must be deposited in the state treasury and credited to the snowmobile trails and enforcement account in the natural resources fund.

Sec. 8. Minnesota Statutes 2022, section 84.82, is amended by adding a subdivision to read:

Subd. 3b. **Display of registration decal.** (a) A person must not operate a snowmobile in the state or allow another to operate the person's snowmobile in the state unless the snowmobile has its unexpired registration decal affixed to each side of the snowmobile and the decals are legible.

(b) The registration decal must be affixed:

(1) for snowmobiles made after June 30, 1972, in the areas provided by the manufacturer under section 84.821, subdivision 2; and

(2) for all other snowmobiles, on each side of the cowling on the upper half of the snowmobile.

(c) When any previously affixed registration decal is destroyed or lost, a duplicate must be affixed in the same manner as provided in paragraph (b).

Sec. 9. Minnesota Statutes 2022, section 84.821, subdivision 2, is amended to read:

Subd. 2. **Area for registration number.** All snowmobiles made after June 30, 1972, and sold in Minnesota, shall be designed and made to provide an area on which to affix the registration number decal. This area shall be at a location and of dimensions prescribed by rule of the commissioner. A clear area must be provided on each side of the cowling with a minimum size of 3-1/2 square inches and at least 12 inches from the ground when the machine is resting on a hard surface.

Sec. 10. Minnesota Statutes 2022, section 84.84, is amended to read:

84.84 TRANSFER OR TERMINATION OF SNOWMOBILE OWNERSHIP.

(a) Within 15 days after the transfer of ownership, or any part thereof, other than a security interest, or the destruction or abandonment of any snowmobile, written notice of the transfer or destruction or abandonment shall be given to the commissioner in such form as the commissioner shall prescribe.

(b) An application for transfer must be executed by the ~~registered~~ current owner and the purchaser using a bill of sale that includes the vehicle serial number.

(c) The purchaser is subject to the penalties imposed by section 84.88 if the purchaser fails to apply for transfer of ownership as provided under this subdivision. Every owner or part owner of a snowmobile shall, upon failure to give notice of destruction or abandonment, be subject to the penalties imposed by section 84.88.

Sec. 11. Minnesota Statutes 2022, section 84.86, subdivision 1, is amended to read:

Subdivision 1. **Required rules, fees, and reports.** (a) With a view of achieving maximum use of snowmobiles consistent with protection of the environment the commissioner of natural resources shall adopt rules in the manner provided by chapter 14, for the following purposes:

- (1) registration of snowmobiles ~~and display of registration numbers;~~
- (2) use of snowmobiles insofar as game and fish resources are affected;
- (3) use of snowmobiles on public lands and waters, or on grant-in-aid trails;
- (4) uniform signs to be used by the state, counties, and cities, which are necessary or desirable to control, direct, or regulate the operation and use of snowmobiles;
- (5) specifications relating to snowmobile mufflers; and
- (6) a comprehensive snowmobile information and safety education and training program; ~~including that includes but is not limited to the preparation and dissemination of~~ preparing and disseminating snowmobile information and safety advice to the public, ~~the training of snowmobile operators, and the issuance of~~ issuing snowmobile safety certificates to snowmobile operators who successfully complete the snowmobile safety education and training course.

(b) For the purpose of administering ~~such~~ the program under paragraph (a), clause (6), and to defray expenses of training and certifying snowmobile operators, the commissioner shall collect a fee from each person who receives the youth or adult training. The commissioner shall collect a fee, to include a \$1 issuing fee for licensing agents, for issuing a duplicate snowmobile safety certificate. The commissioner shall establish both fees in a manner that neither significantly overrecovers nor underrecovers costs, including overhead costs, involved in providing the services. The fees are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply. The fees may be established by the commissioner notwithstanding section 16A.1283. The fees, except for the issuing fee for licensing agents under this subdivision, shall be deposited in the snowmobile trails and enforcement account in the natural resources fund and the amount thereof, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, and issuing fees collected by the commissioner, is appropriated annually to the Enforcement Division of the Department of Natural Resources for ~~the administration of such~~

administering the programs. In addition to the fee established by the commissioner, instructors may charge each person any fee paid by the instructor for the person's online training course and up to the established fee amount for class materials and expenses. The commissioner shall cooperate with private organizations and associations, private and public corporations, and local governmental units in furtherance of the program established under ~~this paragraph (a)~~, clause (6). School districts may cooperate with the commissioner and volunteer instructors to provide space for the classroom portion of the training. The commissioner shall consult with the commissioner of public safety in regard to training program subject matter and performance testing that leads to the certification of snowmobile operators.

~~(7)~~ (c) The operator of any snowmobile involved in an accident resulting in injury requiring medical attention or hospitalization to or death of any person or total damage to an extent of \$500 or more, shall forward a written report of the accident to the commissioner on such a form as prescribed by the commissioner ~~shall prescribe~~. If the operator is killed or is unable to file a report due to incapacitation, any peace officer investigating the accident shall file the accident report within ten business days.

Sec. 12. Minnesota Statutes 2022, section 84.87, subdivision 1, is amended to read:

Subdivision 1. **Operation on streets and highways.** (a) No person shall operate a snowmobile upon the roadway, shoulder, or inside bank or slope of any trunk, county state-aid, or county highway in this state and, in the case of a divided trunk or county highway, on the right-of-way between the opposing lanes of traffic, except as provided in sections 84.81 to 84.90. No person shall operate a snowmobile within the right-of-way of any trunk, county state-aid, or county highway between the hours of one-half hour after sunset to one-half hour before sunrise, except on the right-hand side of such right-of-way and in the same direction as the highway traffic on the nearest lane of the roadway adjacent thereto. No snowmobile shall be operated at any time within the right-of-way of any interstate highway or freeway within this state.

(b) Notwithstanding any provision of paragraph (a) to the contrary:

(1) under conditions prescribed by the commissioner of transportation, the commissioner of transportation may allow two-way operation of snowmobiles on either side of the trunk highway right-of-way where the commissioner of transportation determines that two-way operation will not endanger users of the trunk highway or riders of the snowmobiles using the trail;

(2) under conditions prescribed by a local road authority as defined in section 160.02, subdivision 25, the road authority may allow two-way operation of snowmobiles on either side of the right-of-way of a street or highway under the road authority's jurisdiction, where the road authority determines that two-way operation will not endanger users of the street or highway or riders of the snowmobiles using the trail;

(3) the commissioner of transportation under clause (1) and the local road authority under clause (2) shall notify the commissioner of natural resources and the local law enforcement agencies responsible for the streets or highways of the locations of two-way snowmobile trails authorized under this paragraph; and

(4) two-way snowmobile trails authorized under this paragraph shall be posted for two-way operation at the authorized locations.

(c) A snowmobile may make a direct crossing of a street or highway at any hour of the day provided:

(1) the crossing is made at an angle of approximately 90 degrees to the direction of the highway and at a place where no obstruction prevents a quick and safe crossing;

(2) the snowmobile is brought to a complete stop before crossing the shoulder or main traveled way of the highway;

(3) the driver yields the right-of-way to all oncoming traffic which constitutes an immediate hazard;

(4) in crossing a divided highway, the crossing is made only at an intersection of such highway with another public street or highway or at a safe location approved by the road authority;

(5) if the crossing is made between the hours of one-half hour after sunset to one-half hour before sunrise or in conditions of reduced visibility, only if both front and rear lights are on; and

(6) a snowmobile may be operated upon a bridge, other than a bridge that is part of the main traveled lanes of an interstate highway, when required for the purpose of avoiding obstructions to travel when no other method of avoidance is possible; provided the snowmobile is operated in the extreme right-hand lane, the entrance to the roadway is made within 100 feet of the bridge and the crossing is made without undue delay.

(d) No snowmobile shall be operated upon a public street or highway unless it is equipped with at least one headlamp, one tail lamp, each of minimum candlepower as prescribed by rules of the commissioner, reflector material of a minimum area of 16 square inches mounted on each side forward of the handle bars, and with brakes each of which shall conform to standards prescribed by rule of the commissioner pursuant to the authority vested in the commissioner by section 84.86, and each of which shall be subject to approval of the commissioner of public safety.

(e) A snowmobile may be operated upon a public street or highway other than as provided by paragraph (c) in an emergency during the period of time when and at locations where snow upon the roadway renders travel by automobile impractical.

(f) All provisions of chapters 169 and 169A shall apply to the operation of snowmobiles upon streets and highways, except for those relating to required equipment, and except those which by their nature have no application. Section 169.09 applies to the operation of snowmobiles anywhere in the state or on the ice of any boundary water of the state.

(g) Any sled, trailer, or other device being towed by a snowmobile must be equipped with reflective materials as required by rule of the commissioner.

Sec. 13. Minnesota Statutes 2022, section 84.90, subdivision 7, is amended to read:

Subd. 7. **Penalty.** (a) A person violating the provisions of this section is guilty of a misdemeanor.

(b) Notwithstanding section 609.101, subdivision 4, clause (2), the minimum fine for a person who operates an off-highway motorcycle, off-road vehicle, all-terrain vehicle, or snowmobile in violation of this section must not be less than the amount set forth in section 84.775.

Sec. 14. Minnesota Statutes 2022, section 84.922, subdivision 4, is amended to read:

Subd. 4. **Report of transfers.** (a) Application for transfer of ownership must be made to the commissioner within 15 days of the date of transfer.

(b) An application for transfer must be executed by the ~~registered~~ current owner and the purchaser using a bill of sale that includes the vehicle serial number.

(c) The purchaser is subject to the penalties imposed by section 84.774 if the purchaser fails to apply for transfer of ownership as provided under this subdivision.

Sec. 15. **[84.9735] INSECTICIDES ON STATE LANDS.**

A person may not use a pesticide containing an insecticide in a wildlife management area, state park, state forest, aquatic management area, or scientific and natural area if the insecticide is from the neonicotinoid class of insecticides or contains chlorpyrifos.

Sec. 16. Minnesota Statutes 2022, section 84.992, subdivision 2, is amended to read:

Subd. 2. **Program.** The commissioner of natural resources shall develop and implement a program for the Minnesota Naturalist Corps that supports state parks and trails in providing interpretation of the natural and cultural features of state parks and trails in order to enhance visitors' awareness, understanding, and appreciation of those features and encourages the wise and sustainable use of the environment.

Sec. 17. Minnesota Statutes 2022, section 84.992, subdivision 5, is amended to read:

Subd. 5. **Eligibility.** A person is eligible to enroll in the Minnesota Naturalist Corps if the person:

~~(1) is a permanent resident of the state;~~

~~(2) is a participant in an approved college internship program in a field related to natural resources, cultural history, interpretation, or conservation; and~~

~~(3) has completed at least one year of postsecondary education.~~

Sec. 18. Minnesota Statutes 2022, section 84D.02, subdivision 3, is amended to read:

Subd. 3. **Management plan.** By December 31, 2023, and every five years thereafter, the commissioner shall prepare and maintain a long-term plan, which may include specific plans for individual species and actions, for the statewide management of invasive species of aquatic plants and wild animals. The plan must address:

(1) coordinated detection and prevention of accidental introductions;

(2) coordinated dissemination of information about invasive species of aquatic plants and wild animals among resource management agencies and organizations;

(3) a coordinated public education and awareness campaign;

(4) coordinated control of selected invasive species of aquatic plants and wild animals on lands and public waters;

(5) participation by lake associations, local citizen groups, and local units of government in the development and implementation of local management efforts;

(6) a reasonable and workable inspection requirement for watercraft and equipment including those participating in organized events on the waters of the state;

(7) the closing of points of access to infested waters, if the commissioner determines it is necessary, for a total of not more than seven days during the open water season for control or eradication purposes;

(8) maintaining public accesses on infested waters to be reasonably free of aquatic macrophytes; ~~and~~

(9) notice to travelers of the penalties for violation of laws relating to invasive species of aquatic plants and wild animals; and

(10) the impacts of climate change on invasive species management.

Sec. 19. Minnesota Statutes 2022, section 84D.10, subdivision 3, is amended to read:

Subd. 3. **Removal and confinement.** (a) A conservation officer or other licensed peace officer may order:

(1) the removal of aquatic macrophytes or prohibited invasive species from water-related equipment, including decontamination using hot water or high pressure equipment ~~when available on-site~~, before the water-related equipment is transported or before it is placed into waters of the state;

(2) confinement of the water-related equipment at a mooring, dock, or other location until the water-related equipment is removed from the water;

(3) removal of water-related equipment from waters of the state to remove prohibited invasive species if the water has not been listed by the commissioner as being infested with that species;

(4) a prohibition on placing water-related equipment into waters of the state when the water-related equipment has aquatic macrophytes or prohibited invasive species attached in violation of subdivision 1 or when water has not been drained or the drain plug has not been removed in violation of subdivision 4; and

(5) decontamination of water-related equipment ~~when available on-site~~.

(b) An order for removal of prohibited invasive species under paragraph (a), clause (1), or decontamination of water-related equipment under paragraph (a), clause (5), may include tagging the water-related equipment and issuing a notice that specifies a time frame for completing the removal or decontamination and reinspection of the water-related equipment.

(c) An inspector who is not a licensed peace officer may issue orders under paragraph (a), clauses (1), (3), (4), and (5).

Sec. 20. Minnesota Statutes 2022, section 85.015, subdivision 10, is amended to read:

Subd. 10. **Luce Line Trail, Hennepin, McLeod, and Meeker Counties.** (a) The trail shall originate at Gleason Lake in Plymouth Village, Hennepin County, ~~and shall~~ follow the route of the Chicago Northwestern Railroad, and include a connection to Greenleaf Lake State Recreation Area.

(b) The trail shall be developed for multiuse wherever feasible. The department shall cooperate in maintaining its integrity for modes of use consistent with local ordinances.

(c) In establishing, developing, maintaining, and operating the trail, the commissioner shall cooperate with local units of government and private individuals and groups. Before acquiring any parcel of land for the trail, the commissioner of natural resources shall develop a management program for the parcel and conduct a public hearing on the proposed management program in the vicinity of the parcel to be acquired. The management program of the commissioner shall include but not be limited to the following:

(1) fencing ~~of~~ portions of the trail where necessary to protect adjoining landowners; and

(2) ~~the maintenance of~~ maintaining the trail in a ~~litter-free~~ litter-free condition to the extent practicable.

(d) The commissioner shall not acquire any of the right-of-way of the Chicago Northwestern Railway Company until the abandonment of the line described in this subdivision has been approved by the Surface Transportation Board or the former Interstate Commerce Commission. Compensation, in addition to the value of the land, shall include improvements made by the railroad, including but not limited to, bridges, trestles, public road crossings, or any portion thereof, it being the desire of the railroad that such improvements be included in the conveyance. The fair market value of the land and improvements shall be recommended by two independent appraisers mutually agreed upon by the parties. The fair market value thus recommended shall be reviewed by a review appraiser agreed to by the parties, and the fair market value thus determined, and supported by appraisals, may be the purchase price. The commissioner may exchange lands with landowners abutting the right-of-way described in this section to eliminate diagonally shaped separate fields.

Sec. 21. Minnesota Statutes 2022, section 85.052, subdivision 6, is amended to read:

Subd. 6. **State park reservation system.** (a) The commissioner may, by written order, develop reasonable reservation policies for ~~campsites and other~~ using camping, lodging, and day-use facilities and for tours, educational programs, seminars, events, and rentals. The policies are exempt from the rulemaking provisions under chapter 14, and section 14.386 does not apply.

(b) The revenue collected from the state park reservation fee established under subdivision 5, including interest earned, ~~shall~~ must be deposited in the state park account in the natural resources fund and is annually appropriated to the commissioner for the cost of operating the state park reservation and point-of-sale system.

Sec. 22. Minnesota Statutes 2022, section 86B.005, is amended by adding a subdivision to read:

Subd. 11a. **Other commercial operation.** "Other commercial operation" means use of a watercraft for work, rather than recreation, to transport equipment, goods, and materials on public waters.

Sec. 23. **[86B.30] DEFINITIONS.**

Subdivision 1. **Applicability.** The definitions in this section apply to sections 86B.30 to 86B.341.

Subd. 2. **Accompanying operator.** "Accompanying operator" means a person 21 years of age or older who:

- (1) is in a personal watercraft or other type of motorboat;
- (2) is within immediate reach of the controls of the motor; and
- (3) possesses a valid operator's permit or is an exempt operator.

Subd. 3. **Adult operator.** "Adult operator" means a motorboat operator, including a personal watercraft operator, who is 12 years of age or older and who was:

- (1) effective July 1, 2025, born on or after July 1, 2004;
- (2) effective July 1, 2026, born on or after July 1, 2000;
- (3) effective July 1, 2027, born on or after July 1, 1996; and
- (4) effective July 1, 2028, born on or after July 1, 1987.

Subd. 4. **Exempt operator.** "Exempt operator" means a motorboat operator, including a personal watercraft operator, who is 12 years of age or older and who:

(1) possesses a valid license to operate a motorboat issued for maritime personnel by the United States Coast Guard under Code of Federal Regulations, title 46, part 10, or a marine certificate issued by the Canadian government;

(2) is not a resident of the state, is temporarily using the waters of the state for a period not to exceed 60 days, and:

- (i) meets any applicable requirements of the state or country of residency; or
- (ii) possesses a Canadian pleasure craft operator's card;
- (3) is operating a motorboat under a dealer's license according to section 86B.405; or
- (4) is operating a motorboat during an emergency.

Subd. 5. **Motorboat rental business.** "Motorboat rental business" means a person engaged in the business of renting or leasing motorboats, including personal watercraft, for a period not exceeding 30 days. Motorboat rental business includes a person's agents and employees but does not include a resort business.

Subd. 6. **Resort business.** "Resort business" means a person that is engaged in the business of providing lodging and recreational services to transient guests and that is classified as a resort under section 273.13, subdivision 22 or 25. A resort business includes a person's agents and employees.

Subd. 7. **Young operator.** "Young operator" means a motorboat operator, including a personal watercraft operator, younger than 12 years of age.

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

Sec. 24. **[86B.302] WATERCRAFT OPERATOR'S PERMIT.**

Subdivision 1. **Generally.** The commissioner must issue a watercraft operator's permit to a person 12 years of age or older who successfully completes a water safety course and written test according to section 86B.304, paragraph (a), or who provides proof of completing a program subject to a reciprocity agreement or certified by the commissioner as substantially similar.

Subd. 2. **Issuing permit to certain young operators.** The commissioner may issue a permit under this section to a person who is at least 11 years of age, but the permit is not valid until the person becomes an adult operator.

Subd. 3. **Personal possession required.** (a) A person who is required to have a watercraft operator's permit must have in personal possession:

(1) a valid watercraft operator's permit;

(2) a driver's license that has a valid watercraft operator's permit indicator issued under section 171.07, subdivision 20; or

(3) an identification card that has a valid watercraft operator's permit indicator issued under section 171.07, subdivision 20.

(b) A person who is required to have a watercraft operator's permit must display one of the documents described in paragraph (a) to a conservation officer or peace officer upon request.

Subd. 4. **Using electronic device to display proof of permit.** If a person uses an electronic device to display a document described in subdivision 3 to a conservation officer or peace officer:

(1) the officer is immune from liability for any damage to the device, unless the officer does not exercise due care in handling the device; and

(2) this does not constitute consent for the officer to access other contents on the device.

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

Sec. 25. **[86B.303] OPERATING PERSONAL WATERCRAFT AND OTHER MOTORBOATS.**

Subdivision 1. **Adult operators.** An adult operator may not operate a motorboat, including a personal watercraft, unless:

- (1) the adult operator possesses a valid watercraft operator's permit;
- (2) the adult operator is an exempt operator; or
- (3) an accompanying operator is in the motorboat.

Subd. 2. **Young operators.** (a) A young operator may not operate a personal watercraft or any motorboat powered by a motor with a factory rating of more than 75 horsepower.

(b) A young operator may operate a motorboat that is not a personal watercraft and that is powered by a motor with a factory rating of less than 75 horsepower if an accompanying operator is in the motorboat.

Subd. 3. **Accompanying operators.** For purposes of this section and section 169A.20, an accompanying operator, as well as the actual operator, is operating and is in physical control of a motorboat.

Subd. 4. **Owners may not allow unlawful use.** An owner or other person in lawful control of a motorboat may not allow the motorboat to be operated contrary to this section.

Subd. 5. **Exception for low-powered motorboats.** Notwithstanding the other provisions of this section, a person of any age may operate a motorboat that is not a personal watercraft that is powered by a motor with a factory rating of 25 horsepower or less without possessing a valid watercraft operator's permit and without an accompanying operator in the motorboat.

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

Sec. 26. **[86B.304] WATERCRAFT SAFETY PROGRAM.**

(a) The commissioner must establish a water safety course and testing program for personal watercraft and watercraft operators and must prescribe a written test as part of the course. The course must be approved by the National Association of State Boating Law Administrators and must be available online. The commissioner may allow designated water safety courses administered by third parties to meet the requirements of this paragraph and may enter into reciprocity agreements or otherwise certify boat safety education programs from other states that are substantially similar to in-state programs. The commissioner must establish a working group of interested parties to develop course content and implementation. The course must include content on best management practices for mitigating aquatic invasive species, reducing conflicts among user groups, and limiting the ecological impacts of watercraft.

(b) The commissioner must create or designate a short boater safety examination to be administered by motorboat rental businesses, as required by section 86B.306, subdivision 3. The examination developed under this paragraph must be one that can be administered electronically or on paper, at the option of the motorboat rental business administering the examination.

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

Sec. 27. **[86B.306] MOTORBOAT RENTAL BUSINESSES.**

Subdivision 1. **Requirements.** A motorboat rental business must not rent or lease a motorboat, including a personal watercraft, to any person for operation on waters of this state unless the renter or lessee:

- (1) has a valid watercraft operator's permit or is an exempt operator; and
- (2) is 18 years of age or older.

Subd. 2. **Authorized operators.** A motorboat rental business must list on each motorboat rental or lease agreement the name and age of each operator who is authorized to operate the motorboat or personal watercraft. The renter or lessee of the motorboat must ensure that only listed authorized operators operate the motorboat or personal watercraft.

Subd. 3. **Summary of boating regulations; examination.** (a) A motorboat rental business must provide each authorized operator a summary of the statutes and rules governing operation of motorboats and personal watercraft in the state and instructions for safe operation.

(b) Each authorized operator, other than those holding a valid watercraft operator's permit or an exempt operator, must review the summary provided under this subdivision and must take a short boater safety examination in a form approved by the commissioner before the motorboat or personal watercraft leaves the motorboat rental business premises, unless the authorized operator has taken the examination during the previous 180 days.

Subd. 4. **Safety equipment for personal watercraft.** A motorboat rental business must provide to all persons who rent a personal watercraft, at no additional cost, a United States Coast Guard (USCG) approved wearable personal flotation device with a USCG label indicating it either is approved for or does not prohibit use with personal watercraft or water-skiing and any other required safety equipment.

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

Sec. 28. Minnesota Statutes 2022, section 86B.313, subdivision 4, is amended to read:

~~Subd. 4. **Dealers and rental operations.** (a) A dealer of personal watercraft shall distribute a summary of the laws and rules governing the operation of personal watercraft and, upon request, shall provide instruction to a purchaser regarding:~~

- ~~(1) the laws and rules governing personal watercraft; and~~
 - ~~(2) the safe operation of personal watercraft.~~
- ~~(b) A person who offers personal watercraft for rent:~~

~~(1) shall provide a summary of the laws and rules governing the operation of personal watercraft and provide instruction regarding the laws and rules and the safe operation of personal watercraft to each person renting a personal watercraft;~~

~~(2) shall provide a United States Coast Guard (USCG) approved wearable personal flotation device with a USCG label indicating it either is approved for or does not prohibit use with personal~~

watercraft or water-skiing and any other required safety equipment to all persons who rent a personal watercraft at no additional cost; and

~~(3) shall require that a watercraft operator's permit from this state or from the operator's state of residence be shown each time a personal watercraft is rented to any person younger than age 18 and shall record the permit on the form provided by the commissioner.~~

~~(e) Each dealer of personal watercraft or person offering personal watercraft for rent shall have the person who purchases or rents a personal watercraft sign a form provided by the commissioner acknowledging that the purchaser or renter has been provided a copy of the laws and rules regarding personal watercraft operation and has read them. The form must be retained by the dealer or person offering personal watercraft for rent for a period of six months following the date of signature and must be made available for inspection by sheriff's deputies or conservation officers during normal business hours.~~

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

Sec. 29. Minnesota Statutes 2022, section 86B.415, subdivision 1, is amended to read:

Subdivision 1. **Watercraft 19 feet or less.** (a) Except as provided in paragraph (b) and subdivision 1a, the fee for a watercraft license for watercraft 19 feet or less in length is ~~\$27~~ \$59.

(b) The watercraft license fee is:

(1) for watercraft, other than personal watercraft, 19 feet in length or less that is offered for rent or lease, ~~the fee is \$9~~ \$14;

(2) for a sailboat, 19 feet in length or less, ~~the fee is \$10.50~~ \$23;

(3) for a watercraft 19 feet in length or less used by a nonprofit corporation for teaching boat and water safety, ~~the fee is~~ as provided in subdivision 4;

(4) for a watercraft owned by a dealer under a dealer's license, ~~the fee is~~ as provided in subdivision 5;

(5) for a personal watercraft, ~~the fee is \$37.50~~ including one offered for rent or lease, \$85; and

(6) for a watercraft less than 17 feet in length, other than a watercraft listed in clauses (1) to (5), ~~the fee is \$18~~ \$36.

Sec. 30. Minnesota Statutes 2022, section 86B.415, subdivision 1a, is amended to read:

Subd. 1a. **Canoes, kayaks, sailboards, paddleboards, paddleboats, or rowing shells.** The fee for a watercraft license for a canoe, kayak, sailboard, paddleboard, paddleboat, or rowing shell over ten feet in length is ~~\$10.50~~ \$23.

Sec. 31. Minnesota Statutes 2022, section 86B.415, subdivision 2, is amended to read:

Subd. 2. **Watercraft over 19 feet.** Except as provided in subdivisions 1a, 3, 4, and 5, the watercraft license fee:

- (1) for a watercraft more than 19 feet but less than 26 feet in length is ~~\$45~~ \$113;
- (2) for a watercraft 26 feet but less than 40 feet in length is ~~\$67.50~~ \$164; and
- (3) for a watercraft 40 feet in length or longer is ~~\$90~~ \$209.

Sec. 32. Minnesota Statutes 2022, section 86B.415, subdivision 3, is amended to read:

Subd. 3. **Watercraft over 19 feet for hire commercial use.** The license fee for a watercraft ~~more than 19 feet in length for hire with an operator~~ used primarily for charter fishing, commercial fishing, commercial passenger carrying, or other commercial operation is ~~\$75~~ \$164 each.

Sec. 33. Minnesota Statutes 2022, section 86B.415, subdivision 4, is amended to read:

Subd. 4. **Watercraft used by nonprofit corporation for teaching.** The watercraft license fee for a watercraft used by a nonprofit organization for teaching boat and water safety is ~~\$4.50~~ \$8 each.

Sec. 34. Minnesota Statutes 2022, section 86B.415, subdivision 5, is amended to read:

Subd. 5. **Dealer's license.** There is no separate fee for watercraft owned by a dealer under a dealer's license. The fee for a dealer's license is ~~\$67.50~~ \$142.

Sec. 35. Minnesota Statutes 2022, section 89A.03, subdivision 5, is amended to read:

Subd. 5. **Membership regulation.** Terms, compensation, nomination, appointment, and removal of council members are governed by section 15.059, except that a council member may be compensated at the rate of up to \$125 a day.

Sec. 36. Minnesota Statutes 2022, section 89A.11, is amended to read:

89A.11 SUNSET.

Sections 89A.01; 89A.02; 89A.03; 89A.04; 89A.05; 89A.06; 89A.07; 89A.08; 89A.09; 89A.10; 89A.105; and 89A.11 expire June 30, ~~2028~~ 2033.

Sec. 37. Minnesota Statutes 2022, section 90.181, subdivision 2, is amended to read:

Subd. 2. **Deferred payments.** (a) If the amount of the statement is not paid or the payment is not postmarked within 30 days of the statement date ~~thereof, it shall bear~~, the amount bears interest at the rate determined pursuant to section 16A.124, except that the purchaser ~~shall not be~~ is not required to pay interest that totals \$1 or less. If the amount is not paid within 60 days, the commissioner shall place the account in the hands of the commissioner of revenue according to chapter 16D, who shall proceed to collect the ~~same~~ amount due. When deemed in the best interests of the state, the commissioner shall take possession of the timber for which an amount is due wherever it may be found and sell the ~~same~~ timber informally or at public auction after giving reasonable notice.

(b) The proceeds of the sale ~~shall~~ must be applied, first, to the payment of the expenses of seizure and sale; and, second, to the payment of the amount due for the timber, with interest; ~~and~~. The surplus, if any, ~~shall belong~~ belongs to the state; ~~and~~. In case a sufficient amount is not realized to

pay these amounts in full, the balance ~~shall~~ must be collected by the attorney general. ~~Neither~~ Payment of the amount, ~~nor the~~ recovery of judgment ~~therefor~~ for the amount, ~~nor~~ satisfaction of the judgment, ~~nor the~~ or seizure and sale of timber, ~~shall~~ does not:

- (1) release the sureties on any security deposit given pursuant to this chapter, or;
- (2) preclude the state from afterwards claiming that the timber was cut or removed contrary to law and recovering damages for the trespass thereby committed; or
- (3) preclude the state from prosecuting the offender criminally.

Sec. 38. Minnesota Statutes 2022, section 97A.015, is amended by adding a subdivision to read:

Subd. 32b. **Native swan.** "Native swan" means a trumpeter swan or a tundra swan but does not include a mute swan.

Sec. 39. Minnesota Statutes 2022, section 97A.015, subdivision 51, is amended to read:

Subd. 51. **Unloaded.** "Unloaded" means, with reference to a firearm, without ammunition in the barrels and magazine, if the magazine is in the firearm. A muzzle-loading firearm ~~with~~ is unloaded if:

(1) for a flintlock ignition is unloaded if, it does not have priming powder in a pan. A muzzle-loading firearm with;

(2) for a percussion ignition is unloaded if, it does not have a percussion cap on a nipple;

(3) for an electronic ignition system, the battery is removed and is disconnected from the firearm;
and

(4) for an encapsulated powder charge ignition system, the primer and powder charge are removed from the firearm.

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

Sec. 40. Minnesota Statutes 2022, section 97A.031, is amended to read:

97A.031 WANTON WASTE.

(a) Unless expressly allowed, a person may not wantonly waste or destroy a usable part of a protected wild animal.

(b) This section does not apply to common carp.

Sec. 41. Minnesota Statutes 2022, section 97A.045, subdivision 5, is amended to read:

Subd. 5. **Power to prescribe form of permits and licenses.** (a) Except as provided in paragraph (b), the commissioner may prescribe the form of permits, licenses, and tags issued under the game and fish laws.

(b) The commissioner must offer an applicant for an angling, trapping, or hunting license, including a special permit issued under section 97A.401, the option of receiving the license in either a paper or paperless format and must provide an applicant with a paperless license unless the applicant requests a paper license. This paragraph applies to both annual and lifetime licenses. The commissioner must ensure that a person authorized to issue an annual license described in this paragraph has the ability to issue paperless licenses.

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

Sec. 42. Minnesota Statutes 2022, section 97A.126, is amended to read:

97A.126 WALK-IN ACCESS PROGRAM.

Subdivision 1. **Establishment.** A walk-in access program is established to provide public access to wildlife habitat on private land for hunting, bird-watching, nature photography, and similar compatible uses, excluding trapping, as provided under this section. The commissioner may enter into agreements with other units of government and landowners to provide private land hunting access.

Subd. 2. **Use of enrolled lands.** (a) From September 1 to May 31, a person must have a walk-in access ~~hunter~~ validation in possession to hunt, photograph, and watch wildlife on private lands, including agricultural lands, that are posted as being enrolled in the walk-in access program.

(b) Hunting, bird-watching, nature photography, and similar compatible uses on private lands that are posted as enrolled in the walk-in access program is allowed from one-half hour before sunrise to one-half hour after sunset.

(c) ~~Hunter~~ Access on private lands that are posted as enrolled in the walk-in access program is restricted to nonmotorized use, except by ~~hunters~~ persons with disabilities operating motor vehicles on established trails or field roads who possess a valid permit to shoot from a stationary vehicle under section 97B.055, subdivision 3.

(d) The general provisions for use of wildlife management areas adopted under sections 86A.06 and 97A.137, relating to overnight use, alcoholic beverages, use of motorboats, firearms and target shooting, hunting stands, abandonment of trash and property, destruction or removal of property, introduction of plants or animals, and animal trespass, apply to ~~hunters on~~ use of lands enrolled in the walk-in access program.

(e) Any use of enrolled lands other than ~~hunting according to~~ use authorized under this section is prohibited, including:

(1) harvesting bait, including minnows, leeches, and other live bait;

(2) training dogs or using dogs for activities other than hunting; and

(3) constructing or maintaining any building, dock, fence, billboard, sign, hunting blind, or other structure, unless constructed or maintained by the landowner.

Subd. 3. **Walk-in-access ~~hunter~~ validation; fee.** The fee for a walk-in-access ~~hunter~~ validation is \$3.

Sec. 43. Minnesota Statutes 2022, section 97A.137, subdivision 3, is amended to read:

Subd. 3. **Use of motorized vehicles by ~~disabled hunters~~ people with disabilities.** The commissioner may ~~issue~~ provide an accommodation by issuing a special permit, without a fee, authorizing a ~~hunter~~ person with a ~~permanent physical~~ disability to use a ~~snowmobile, highway-licensed vehicle, all-terrain vehicle,~~ an other power-driven mobility device, as defined under Code of Federal Regulations, title 28, section 35.104, or a motor boat in wildlife management areas. To qualify for a permit under this subdivision, the ~~disabled~~ person must ~~possess;~~ provide credible assurance to the commissioner that the device or motor boat is used because of a disability.

~~(1) the required hunting licenses; and~~

~~(2) a permit to shoot from a stationary vehicle under section 97B.055, subdivision 3.~~

Sec. 44. Minnesota Statutes 2022, section 97A.137, subdivision 5, is amended to read:

Subd. 5. **Portable stands.** (a) Prior to the Saturday on or nearest September 16, a portable stand may be left overnight in a wildlife management area by a person with a valid bear license who is hunting within 100 yards of a bear bait site that is legally tagged and registered as prescribed under section 97B.425. Any person leaving a portable stand overnight under this subdivision must affix a tag with: (1) the person's name and address; (2) the licensee's driver's license number; or (3) the "MDNR#" license identification number issued to the licensee. The tag must be affixed to the stand in a manner that it can be read from the ground.

(b) From November 1 through December 31, a portable stand may be left overnight by a person possessing a license to take deer in a wildlife management area located in whole or in part north and west of a line described as follows:

State Trunk Highway 1 from the west boundary of the state to State Trunk Highway 89; then north along State Trunk Highway 89 to Fourtown; then north on County State-Aid Highway 44, Beltrami County, to County Road 704, Beltrami County; then north on County Road 704 to Dick's Parkway State Forest Road; then north on Dick's Parkway to County State-Aid Highway 5, Roseau County; then north on County State-Aid Highway 5 to Warroad; then north on State Trunk Highway 11 to State Trunk Highway 313; then north on State Trunk Highway 313 to the north boundary of the state.

A person leaving a portable stand overnight under this paragraph must affix a tag with: (1) the person's name and address; (2) the licensee's driver's license number; or (3) the "MDNR#" license identification number issued to the licensee. The tag must be affixed to the stand so that it can be read from the ground and must be made of a material sufficient to withstand weather conditions. A person leaving a portable stand overnight in a wildlife management area under this paragraph may not leave more than two portable stands in any one wildlife management area. Unoccupied portable stands left overnight under this paragraph may be used by any member of the public. ~~This paragraph expires December 31, 2019.~~

EFFECTIVE DATE. This section is effective retroactively from July 1, 2019, and Minnesota Statutes, section 97A.137, subdivision 5, paragraph (b), is revived and reenacted as of that date.

Sec. 45. Minnesota Statutes 2022, section 97A.315, subdivision 1, is amended to read:

Subdivision 1. **Criminal penalties.** (a) Except as provided in paragraph (b), a person that violates a provision of section 97B.001, relating to trespass is guilty of a misdemeanor ~~except as provided in paragraph (b).~~

(b) A person is guilty of a gross misdemeanor if the person:

- (1) knowingly disregards signs prohibiting trespass;
- (2) trespasses after personally being notified by the landowner or lessee not to trespass; or
- (3) is convicted of violating this section more than once in a three-year period.

(c) Notwithstanding section 609.101, subdivision 4, clause (2), for a misdemeanor violation, the minimum fine for a person who operates an off-highway motorcycle, off-road vehicle, all-terrain vehicle, or snowmobile in violation of this section must not be less than the amount set forth in section 84.775.

Sec. 46. Minnesota Statutes 2022, section 97A.401, subdivision 1, is amended to read:

Subdivision 1. **Commissioner's authority.** The commissioner may issue special permits for the activities in this section. A special permit may be issued in the form of a general permit to a governmental subdivision or to the general public to conduct one or more activities under subdivisions 2 to § 9.

Sec. 47. Minnesota Statutes 2022, section 97A.401, is amended by adding a subdivision to read:

Subd. 9. **Taking wild animals with federal incidental take permit.** The commissioner must prescribe conditions for and may issue a permit to a person for taking wild animals during activities covered under a federal incidental take permit issued under section 10(a)(1)(B) of the federal Endangered Species Act, including to a landowner for taking wild animals during activities covered by a certificate of inclusion issued by the commissioner under Code of Federal Regulations, title 50, section 13.25(e).

Sec. 48. Minnesota Statutes 2022, section 97A.405, subdivision 2, is amended to read:

Subd. 2. **Personal possession.** (a) A person acting under a license or traveling from an area where a licensed activity was performed must have in personal possession ~~either~~:

- (1) the proper paper license, if the license has been issued to and received by the person;
- (2) a driver's license or Minnesota identification card that bears a valid designation of the proper lifetime license, as provided under section 171.07, subdivision 19; ~~or~~
- (3) the proper paper license identification number or stamp validation, if the license has been sold to the person by electronic means but the actual license has not been issued and received; or
- (4) electronic or other evidence satisfactory to the commissioner that the person has the proper paperless license.

(b) If possession of a license or a license identification number is required, a person must exhibit, as requested by a conservation officer or peace officer, ~~either~~: (1) the proper paper license if the license has been issued to and received by the person; (2) a driver's license or Minnesota identification card that bears a valid designation of the proper lifetime license, as provided under section 171.07, subdivision 19; ~~or~~ (3) the proper paper license identification number or stamp validation and a valid state driver's license, state identification card, or other form of identification provided by the commissioner, if the license has been sold to the person by electronic means but the actual license has not been issued and received; or (4) electronic or other evidence satisfactory to the commissioner that the person has the proper paperless license. A person charged with violating the license possession requirement shall not be convicted if the person produces in court or the office of the arresting officer, the actual license previously issued to that person, which was valid at the time of arrest, or satisfactory proof that at the time of the arrest the person was validly licensed. Upon request of a conservation officer or peace officer, a licensee shall write the licensee's name in the presence of the officer to determine the identity of the licensee.

(c) Except as provided in paragraph (a), ~~clause clauses~~ (2) and (4), if the actual license has been issued and received, a receipt for license fees, a copy of a license, or evidence showing the issuance of a license, including the license identification number or stamp validation, does not entitle a licensee to exercise the rights or privileges conferred by a license.

(d) A paper license issued electronically and not immediately provided to the licensee shall be mailed to the licensee within 30 days of purchase of the license. A pictorial migratory waterfowl, pheasant, trout and salmon, or walleye stamp shall be provided to the licensee after purchase of a stamp validation only if the licensee pays an additional fee that covers the costs of producing and mailing a pictorial stamp. A pictorial turkey stamp may be purchased for a fee that covers the costs of producing and mailing the pictorial stamp. Notwithstanding section 16A.1283, the commissioner may, by written order published in the State Register, establish fees for providing the pictorial stamps. The fees must be set in an amount that does not recover significantly more or less than the cost of producing and mailing the stamps. The fees are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

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

Sec. 49. Minnesota Statutes 2022, section 97A.405, subdivision 5, is amended to read:

Subd. 5. **Resident licenses.** (a) To obtain a resident license, ~~a resident~~ an individual 21 years of age or older must be a resident and:

(1) possess a current Minnesota driver's license or a valid application receipt for a driver's license that is at least 60 days past the issuance date;

(2) possess a current identification card issued by the commissioner of public safety or a valid application receipt for an identification card that is at least 60 days past the issuance date; ~~or~~

(3) present evidence showing proof of residency in cases when clause (1) or (2) would violate the Religious Freedom Restoration Act of 1993, Public Law 103-141; or

(4) possess a Tribal identification card as provided in paragraph (b).

(b) For purposes of this subdivision, "Tribal identification card" means an unexpired identification card as provided under section 171.072, paragraphs (b) and (c). The Tribal identification card:

(1) must contain the enrolled Tribal member's Minnesota residence address; and

(2) may be used to obtain a resident license under paragraph (a) only if the Tribal member does not have a current driver's license or state identification card in any state.

(c) A person must not have applied for, purchased, or accepted a resident hunting, fishing, or trapping license issued by another state or foreign country within 60 days before applying for a resident license under this section.

Sec. 50. Minnesota Statutes 2022, section 97A.420, subdivision 1, is amended to read:

Subdivision 1. **Seizure.** (a) An enforcement officer shall immediately seize the license of a person who unlawfully takes, transports, or possesses wild animals when the restitution value of the wild animals exceeds \$500. Except as provided in subdivisions 2, 4, and 5, the person may not use or obtain any license to take the same type of wild animals involved, including a duplicate license, until an action is taken under subdivision 6. If the license seized under this paragraph was for a big game animal, the license seizure applies to all licenses to take big game issued to the individual. If the license seized under this paragraph was for small game animals, the license seizure applies to all licenses to take small game issued to the individual.

(b) In addition to the license seizure under paragraph (a), if the restitution value of the wild animals unlawfully taken, possessed, or transported is \$1,000 or more, all other game and fish licenses held by the person shall be immediately seized. Except as provided in subdivision 2, 4, or 5, the person may not obtain any game or fish license or permit, including a duplicate license, until an action is taken under subdivision 6.

(c) A person may not take wild animals covered by a license seized under this subdivision until an action is taken under subdivision 6.

(d) The commissioner must make a means of seizing and releasing a paperless license under this section available to enforcement officers.

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

Sec. 51. Minnesota Statutes 2022, section 97A.421, subdivision 3, is amended to read:

Subd. 3. **Issuance after conviction; big game.** (a) A person may not use a big-game license purchased before conviction, obtain any a big-game license, or take big game under a lifetime license, issued under section 97A.473, for three years after the person is convicted of:

(1) a gross misdemeanor violation under the game and fish laws relating to big game;

(2) doing an act without a required big-game license; or

(3) the second violation within three years under the game and fish laws relating to big game.

(b) A person may not obtain any deer license or take deer under a lifetime license issued under section 97A.473 for one year after the person is convicted of hunting deer with the aid or use of bait under section 97B.328.

(c) The revocation period under paragraphs (a) and (b) doubles if the conviction is for a deer that is a trophy deer scoring higher than 170 using the scoring method established for wildlife restitution values adopted under section 97A.345.

Sec. 52. Minnesota Statutes 2022, section 97A.465, subdivision 3, is amended to read:

Subd. 3. **Nonresidents stationed in state; spouses.** (a) The commissioner may issue a resident license to take ~~fish or~~ game to a person in the armed forces of the United States that is stationed in the state. This ~~subdivision~~ paragraph does not apply to ~~the~~ taking of moose or elk.

(b) The commissioner may issue a resident angling license to a person in the armed forces of the United States that is stationed in the state and to the spouse of a person in the armed forces of the United States that is stationed in the state.

Sec. 53. Minnesota Statutes 2022, section 97A.465, subdivision 8, is amended to read:

Subd. 8. **Nonresident active members of National Guard; spouses.** (a) A nonresident that is ~~an active~~ a member of the state's National Guard may obtain a resident license to take ~~fish or~~ game. This ~~subdivision~~ paragraph does not apply to ~~the~~ taking of moose or elk.

(b) A nonresident that is a member of the National Guard or that is the spouse of a member of the National Guard may obtain a resident license to take fish.

(c) For purposes of this section, the term "member of the National Guard" means an active member of the state's National Guard or an active member of another state's National Guard who is temporarily stationed in this state.

Sec. 54. Minnesota Statutes 2022, section 97A.475, subdivision 41, is amended to read:

Subd. 41. **Turtle licenses license.** ~~(a) The fee for a turtle seller's license to sell turtles and to take, transport, buy, and possess turtles for sale is \$250.~~

~~(b) The fee for a recreational turtle license to take, transport, and possess turtles for personal use is \$25.~~

~~(c) The fee for a turtle seller's apprentice license is \$100.~~

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

Sec. 55. Minnesota Statutes 2022, section 97B.031, subdivision 1, is amended to read:

Subdivision 1. **Permissible firearms and ammunition; big game and wolves.** A person may take big game and wolves with a firearm only if:

(1) ~~the~~ any rifle, shotgun, ~~and~~ or handgun used is a caliber of at least .22 inches and ~~with~~ has centerfire ignition;

(2) the firearm is loaded only with single projectile ammunition;

(3) a projectile used is a caliber of at least .22 inches and has a soft point or is an expanding bullet type;

(4) the any muzzleloader used is incapable of being has the projectile loaded only at the breech muzzle;

(5) the any smooth-bore muzzleloader used is a caliber of at least .45 inches; and

(6) the any rifled muzzleloader used is a caliber of at least .40 inches.

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

Sec. 56. Minnesota Statutes 2022, section 97B.037, is amended to read:

97B.037 CROSSBOW HUNTING; ~~AGE 60 OR OVER.~~

(a) 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.

(b) This section expires June 30, 2025.

Sec. 57. Minnesota Statutes 2022, section 97B.071, is amended to read:

97B.071 CLOTHING AND GROUND BLIND REQUIREMENTS; BLAZE ORANGE OR BLAZE PINK.

(a) Except as provided in rules adopted under paragraph ~~(e)~~ (d), a person may not hunt or trap during the open season where deer may be taken by firearms under applicable laws and ordinances, unless the visible portion of the person's cap and outer clothing above the waist, excluding sleeves and gloves, is blaze orange or blaze pink. Blaze orange or blaze pink includes a camouflage pattern of at least 50 percent blaze orange or blaze pink within each foot square. This section does not apply to migratory-waterfowl hunters on waters of this state or in a stationary shooting location or to trappers on waters of this state.

(b) Except as provided in rules adopted under paragraph ~~(e)~~ (d), and in addition to the requirement in paragraph (a), a person may not take small game other than turkey, migratory birds, raccoons, and predators, except while trapping, unless a visible portion of at least one article of the person's clothing above the waist is blaze orange or blaze pink. This paragraph does not apply to a person when in a stationary location while hunting deer by archery or when hunting small game by falconry.

(c) A person in a fabric or synthetic ground blind on public land must have:

(1) a blaze orange safety covering on the top of the blind that is visible for 360 degrees around the blind; or

(2) at least 144 square inches of blaze orange material on each side of the blind.

~~(e)~~ (d) The commissioner may, by rule, prescribe an alternative color in cases where paragraph (a) or (b) would violate the Religious Freedom Restoration Act of 1993, Public Law 103-141.

~~(d)~~ (e) A violation of paragraph (b) ~~shall~~ does not result in a penalty, but is punishable only by a safety warning.

Sec. 58. Minnesota Statutes 2022, section 97B.301, subdivision 2, is amended to read:

Subd. 2. **Limit of one deer.** A person may obtain one regular firearms season deer license, one muzzleloader season deer license, and one archery season deer license in the same license year, but may not ~~tag take~~ more than one deer except as provided in subdivisions 3 and 4.

Sec. 59. Minnesota Statutes 2022, section 97B.301, subdivision 6, is amended to read:

Subd. 6. **Residents or nonresidents under age 18; taking either-sex deer.** A resident or nonresident under the age of 18 may take a deer of either sex except in those antlerless permit areas and seasons where no antlerless permits are offered. In antlerless permit areas where no antlerless permits are offered, the commissioner may provide a limited number of youth either sex permits to residents or nonresidents under age 18, under the procedures provided in section 97B.305, and may give preference to residents or nonresidents under the age of 18 that have not previously been selected. This subdivision does not authorize the taking of ~~an antlerless~~ a deer by another member of a party under subdivision 3.

Sec. 60. Minnesota Statutes 2022, section 97B.668, is amended to read:

97B.668 ~~GAME BIRDS~~ ANIMALS CAUSING DAMAGE.

Subdivision 1. **Game birds causing damage.** Notwithstanding sections 97B.091 and 97B.805, subdivisions 1 and 2, a person or agent of that person on lands and nonpublic waters owned or operated by the person may nonlethally scare, haze, chase, or harass game birds that are causing property damage or to protect a disease risk at any time or place that a hunting season for the game birds is not open. This section does not apply to public waters as defined under section 103G.005, subdivision 15. This section does not apply to migratory waterfowl on nests and other federally protected game birds on nests, except ducks and geese on nests when a permit is obtained under section 97A.401.

Subd. 2. **Deer and elk causing damage.** (a) Notwithstanding section 97B.091, a property owner, the property owner's immediate family member, or an agent of the property owner may nonlethally scare, haze, chase, or harass deer or elk that are causing damage to agricultural crops that are propagated under generally accepted agricultural practices.

(b) Paragraph (a) applies only:

(1) in the immediate area of the crop damage; and

(2) during the closed season for taking deer or elk.

(c) Paragraph (a) does not allow:

(1) using poisons;

(2) using dogs;

(3) conduct that drives a deer or elk to the point of exhaustion;

(4) activities that require a permit under section 97A.401; or

(5) conduct that causes the death of or that is likely to cause the death of a deer or elk.

(d) A property owner or the owner's agent must report the death of a deer or elk to staff in the Division of Fish and Wildlife within 24 hours of the death if the death resulted from actions taken under paragraph (a).

Sec. 61. **[97B.735] SWANS.**

A person who takes, harasses, destroys, buys, sells, possesses, transports, or ships a native swan in violation of the game and fish laws is guilty of a gross misdemeanor.

Sec. 62. Minnesota Statutes 2022, section 97C.041, is amended to read:

97C.041 COMMISSIONER MAY REMOVE ROUGH FISH AND CATFISH.

The commissioner may take rough fish, ~~lake whitefish,~~ and rainbow smelt with seines, nets, and other devices. ~~The commissioner may also take catfish with seines, nets, and other devices on the Minnesota-Wisconsin boundary waters.~~ The commissioner may hire or contract persons, or issue permits, to take the fish. The commissioner shall prescribe the manner of taking and disposal. The commissioner may award a contract under this section without competitive bidding. Before establishing the contractor's compensation, the commissioner must consider the qualifications of the contractor, including the contractor's equipment, knowledge of the waters, and ability to perform the work.

Sec. 63. Minnesota Statutes 2022, section 97C.315, subdivision 1, is amended to read:

Subdivision 1. **Lines.** An angler may not use more than one line, except that:

(1) two lines may be used to take fish through the ice; ~~and~~

(2) the commissioner may, by rule, authorize the use of two lines in areas designated by the commissioner in Lake Superior; and

(3) two lines may be used in the Minnesota River downstream of the Granite Falls Dam and in the Mississippi River downstream of St. Anthony Falls.

Sec. 64. Minnesota Statutes 2022, section 97C.345, subdivision 1, is amended to read:

Subdivision 1. **When use prohibited.** Except as specifically authorized, a person may not take fish with a spear from the third Monday in February to the Friday before the last Saturday in April and may not take fish with a fish trap, net, dip net, seine, or other device capable of taking fish from the third Monday in February ~~to~~ through April 30.

Sec. 65. Minnesota Statutes 2022, section 97C.355, is amended by adding a subdivision to read:

Subd. 9. **Placing waste on ice prohibited.** A person using a fish house, dark house, or other shelter on the ice of state waters is subject to section 97C.363.

Sec. 66. **97C.363] STORING GARBAGE AND OTHER WASTE ON ICE.**

Subdivision 1. **Prohibition.** A person using a shelter, a motor vehicle, or any other conveyance on the ice of state waters may not deposit garbage, rubbish, cigarette filters, debris from fireworks, offal, the body of a dead animal, litter, sewage, or any other waste outside the shelter, motor vehicle, or conveyance unless the material is:

(1) placed in a container that is secured to the shelter, motor vehicle, or conveyance; and

(2) not placed directly on the ice or in state waters.

Subd. 2. **Definition.** For purposes of this section, "sewage" means excrementitious or other discharge from the bodies of human beings or animals, together with such other water as may be present.

Subd. 3. **Penalty.** A violation of this section is a petty misdemeanor, and a person who violates this section is subject to a civil penalty of \$100 for each violation.

Sec. 67. Minnesota Statutes 2022, section 97C.371, subdivision 1, is amended to read:

Subdivision 1. **Species allowed.** Only rough fish, catfish, lake whitefish, cisco (tulibee), and northern pike may be taken by spearing.

Sec. 68. Minnesota Statutes 2022, section 97C.371, subdivision 2, is amended to read:

Subd. 2. **Dark houses required for certain species.** Catfish, lake whitefish, cisco (tulibee), and northern pike may be speared only from dark houses.

Sec. 69. Minnesota Statutes 2022, section 97C.371, subdivision 4, is amended to read:

Subd. 4. **Open season.** The open season for spearing through the ice is November 15 ~~to~~ through the last Sunday in February.

Sec. 70. Minnesota Statutes 2022, section 97C.395, subdivision 1, is amended to read:

Subdivision 1. **Dates for certain species.** (a) The open seasons to take fish by angling are as follows:

(1) for walleye, sauger, northern pike, muskellunge, largemouth bass, and smallmouth bass, the Saturday two weeks prior to the Saturday of Memorial Day weekend ~~to~~ through the last Sunday in February;

(2) for lake trout, from January 1 ~~to~~ through October 31;

(3) for the winter season for lake trout, brown trout, brook trout, rainbow trout, and splake on all lakes located outside or partially within the Boundary Waters Canoe Area, from January 15 ~~to~~ through March 31;

(4) for the winter season for lake trout, brown trout, brook trout, rainbow trout, and splake on all lakes located entirely within the Boundary Waters Canoe Area, from January 1 ~~to~~ through March 31;

(5) for brown trout, brook trout, rainbow trout, and splake, between January 1 ~~to~~ through October 31 as prescribed by the commissioner by rule except as provided in section 97C.415, subdivision 2; and

(6) for salmon, as prescribed by the commissioner by rule.

(b) The commissioner shall close the season in areas of the state where fish are spawning and closing the season will protect the resource.

Sec. 71. Minnesota Statutes 2022, section 97C.601, subdivision 1, is amended to read:

Subdivision 1. **Season.** The open season for frogs is May 16 ~~to~~ through March 31. The commissioner may, by rule, establish closed seasons in specified areas.

Sec. 72. Minnesota Statutes 2022, section 97C.605, subdivision 1, is amended to read:

Subdivision 1. ~~Resident angling license required~~ **Taking turtles; requirements.** ~~In addition to any other license required in this section, (a) A person may not take, possess, or transport turtles without a resident angling license, except as provided in subdivision 2e and a recreational turtle license.~~

(b) Turtles taken from the wild are for personal use only and may not be resold.

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

Sec. 73. Minnesota Statutes 2022, section 97C.605, subdivision 2c, is amended to read:

Subd. 2c. **License exemptions.** ~~(a) A person does not need a turtle seller's license or an angling license~~ the licenses specified under subdivision 1:

~~(1) when buying turtles for resale at a retail outlet;~~

(1) when buying turtles from a licensed aquatic farm or licensed private fish hatchery for resale at a retail outlet or restaurant;

(2) when buying a turtle at a retail outlet;

~~(3) if the person is a nonresident buying a turtle from a licensed turtle seller for export out of state. Shipping documents provided by the turtle seller must accompany each shipment exported out of state by a nonresident. Shipping documents must include: name, address, city, state, and zip code of the buyer; number of each species of turtle; and name and license number of the turtle seller;~~
or

~~(4)~~ (3) to take, possess, and rent or sell up to 25 turtles greater than four inches in length for the purpose of providing the turtles to participants at a nonprofit turtle race, if the person is a resident under age 18. The person is responsible for the well-being of the turtles; or

(4) if under 16 years of age when possessing turtles. Notwithstanding any other law to the contrary, a person under the age of 16 may possess, without a license, up to three snapping or western painted turtles, provided the turtles are possessed for personal use and are within the applicable length and width requirements.

(b) A person with an aquatic farm license with a turtle endorsement or a private fish hatchery license with a turtle endorsement may sell, obtain, possess, transport, and propagate turtles and turtle eggs without the licenses specified under subdivision 1.

(c) Turtles possessed under this subdivision may not be released back into the wild.

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

Sec. 74. Minnesota Statutes 2022, section 97C.605, subdivision 3, is amended to read:

Subd. 3. **Taking; methods prohibited.** ~~(a)~~ A person may not take turtles by using:

- (1) explosives, drugs, poisons, lime, and other harmful substances;
- ~~(2) traps, except as provided in paragraph (b) and rules adopted under this section;~~
- (3) nets other than anglers' fish landing nets;
- ~~(4) commercial equipment, except as provided in rules adopted under this section;~~
- (5) firearms and ammunition;
- (6) bow and arrow or crossbow; or
- (7) spears, harpoons, or any other implements that impale turtles.

~~(b) Until new rules are adopted under this section, a person with a turtle seller's license may take turtles with a floating turtle trap that:~~

- ~~(1) has one or more openings above the water surface that measure at least ten inches by four inches; and~~
- ~~(2) has a mesh size of not less than one half inch, bar measure.~~

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

Sec. 75. Minnesota Statutes 2022, section 97C.611, is amended to read:

97C.611 TURTLE SPECIES; LIMITS.

Subdivision 1. **Snapping turtles.** A person may not possess more than three snapping turtles of the species *Chelydra serpentina* without a turtle seller's license. Until new rules are adopted under

section 97C.605, a person may not take snapping turtles of a size less than ten inches wide including curvature, measured from side to side across the shell at midpoint. After new rules are adopted under section 97C.605, a person may only take snapping turtles of a size specified in the adopted rules.

Subd. 2. **Western painted turtles.** (a) A person may not possess more than three Western painted turtles of the species *Chrysemys picta* ~~without a turtle seller's license~~. Western painted turtles must be between 4 and 5-1/2 inches in shell length.

(b) This subdivision does not apply to persons acting under section 97C.605, subdivision 2c, ~~clause (4) paragraph (a)~~.

~~Subd. 3. **Spiny softshell.** A person may not possess spiny softshell turtles of the species *Apalone spinifera* after December 1, 2021, without an aquatic farm or private fish hatchery license with a turtle endorsement.~~

Subd. 4. **Other species.** A person may not possess any other species of turtle ~~without~~ except with an aquatic farm or private fish hatchery license with a turtle endorsement or as specified under section 97C.605, subdivision 2c.

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

Sec. 76. Minnesota Statutes 2022, section 97C.836, is amended to read:

97C.836 LAKE SUPERIOR LAKE TROUT; EXPANDED ASSESSMENT HARVEST.

The commissioner shall provide for taking of lake trout by licensed commercial operators in Lake Superior management zones MN-3 and MN-2 for expanded assessment and sale. The commissioner shall authorize expanded assessment taking and sale of lake trout in Lake Superior management zone MN-3 beginning annually in 2007 and zone MN-2 beginning annually in 2010. Total assessment taking and sale may not exceed 3,000 lake trout in zone MN-3 and 2,000 lake trout in zone MN-2 and may be reduced when necessary to protect the lake trout population or to manage the effects of invasive species or fish disease. Taking lake trout for expanded assessment and sale shall be allowed from June 1 ~~to~~ through September 30, but may end earlier in the respective zones if the quotas are reached. The quotas must be reassessed at the expiration of the current ten-year Fisheries Management Plan for the Minnesota Waters of Lake Superior.

Sec. 77. Minnesota Statutes 2022, section 103G.005, is amended by adding a subdivision to read:

Subd. 9c. **Ecosystem harm.** "Ecosystem harm" means to change the biological community and ecology in a manner that results in loss of ecological structure or function.

Sec. 78. Minnesota Statutes 2022, section 103G.005, is amended by adding a subdivision to read:

Subd. 13b. **Negative impact to surface waters.** "Negative impact to surface waters" means a change in hydrology sufficient to cause aquatic ecosystem harm or alter riparian uses long term.

Sec. 79. Minnesota Statutes 2022, section 103G.005, is amended by adding a subdivision to read:

Subd. 15i. **Sustainable diversion limit.** "Sustainable diversion limit" means a maximum amount of water that can be removed directly or indirectly from a surface water body in a defined geographic area on a monthly or annual basis without causing a negative impact to the surface water body.

Sec. 80. **[103G.134] ORDERS AND INVESTIGATIONS.**

The commissioner has the following powers and duties when acting pursuant to the enforcement provisions of this chapter:

(1) to adopt, issue, reissue, modify, deny, revoke, enter into, or enforce reasonable orders, schedules of compliance, and stipulation agreements;

(2) to issue notices of violation;

(3) to require a person holding a permit issued under this chapter or otherwise impacting the public waters of the state without a permit issued under this chapter to:

(i) make reports;

(ii) install, use, and maintain monitoring equipment or methods;

(iii) perform tests according to methods, at locations, at intervals, and in a manner as the commissioner prescribes; and

(iv) provide other information as the commissioner may reasonably require; and

(4) to conduct investigations; issue notices, public and otherwise; and order hearings as the commissioner deems necessary or advisable to discharge duties under this chapter, including but not limited to issuing permits and authorizing an employee or agent appointed by the commissioner to conduct the investigations and other authorities cited in this section.

Sec. 81. **[103G.146] DUTY OF CANDOR.**

(a) A person must not knowingly:

(1) make a false statement of fact or fail to correct a false statement of material fact regarding any matter pertaining to this chapter;

(2) fail to disclose information that the person knows is necessary for the commissioner to make an informed decision under this chapter; or

(3) offer information that the person knows to be false.

(b) If a person has offered material information to the commissioner and the person comes to know the information is false, the person must take reasonable remedial measures to provide the accurate information.

Sec. 82. **[103G.216] REPORTING FISH KILLS IN PUBLIC WATERS.**

Subdivision 1. **Definition.** For the purposes of this section and section 103G.2165, "fish kill" means an incident resulting in the death of 25 or more fish within one linear mile of a flowing water

or 25 or more fish within a square mile of a nonflowing water, excluding fish lawfully taken under the game and fish laws.

Subd. 2. **Reporting requirement.** A state or county staff person or official who learns of a fish kill in public waters must report the location of the fish kill to the Minnesota state duty officer within one hour of being notified of a fish kill or within four hours of first observing the fish kill. The Minnesota state duty officer must alert the Departments of Agriculture, Health, and Natural Resources and the Pollution Control Agency of the location of the fish kill within one hour of being notified of the fish kill. When a fish kill is reported, it must be posted to the *EQB Monitor* in the next scheduled posting.

Sec. 83. **[103G.2165] DEVELOPMENT OF FISH KILL RESPONSE PROTOCOL.**

Subdivision 1. **Development of protocol.** By June 30, 2024, the commissioners of agriculture, health, and natural resources and the commissioner of the Pollution Control Agency must update the fish kill response guidance by developing a protocol. The protocol must consist of steps that state agencies responding to a report of a fish kill under section 103G.216 must take to ascertain cause of or contributing factors to the fish kill based on scientific data and information gathered through investigation, as well as a communication plan to inform the public of potential hazards. The protocol must address:

- (1) how to approach sampling for aquatic life in most fish kill situations;
- (2) the types of locations from which samples described in clause (1) should be taken;
- (3) the types of locations where water samples should be taken from the body of water in which the fish kill occurred, as well as tributary streams and private wells with landowner consent that should also be sampled;
- (4) the types of locations from which soil and groundwater samples should be taken to ascertain whether contaminants traveled overland or underground to reach the body of water in which the fish kill occurred;
- (5) where other sampling should occur to determine the presence of contaminants that may have contributed to the fish kill;
- (6) developing a comprehensive list of contaminants, including degradation products, for which the materials sampled in clauses (3) to (5) should be tested;
- (7) the appropriate concentration limits to be used in testing samples for the presence of contaminants, allowing for the possibility that the fish kill may have resulted from the interaction of two or more contaminants present at concentrations below the level associated with toxic effects resulting from exposure to each individual chemical;
- (8) proper handling, storage, and treatment necessary to preserve the integrity of the samples described in this subdivision to maximize the information the samples can yield regarding the cause of the fish kill;

(9) the organs and other parts of the fish and other aquatic creatures that should be analyzed to maximize the information the samples can yield regarding the cause of the fish kill;

(10) identifying a rapid response team of interagency staff or an independent contractor with the necessary data collection equipment that can travel to the site of the fish kill to collect samples within 24 to 48 hours of the incident;

(11) a communications plan with a health-risk assessment to notify potentially impacted downstream users of the surface water of the potential hazards and those in the vicinity whose public or private water supply, including surface water or groundwater, may be impacted; and

(12) the proposed content and timing for investigation reports filed following fish kills. Investigation reports should identify the probable causes and include recommendations to prevent similar incidents in the future.

Subd. 2. **Review of protocol.** The Departments of Agriculture, Health, and Natural Resources and the Pollution Control Agency must post the draft protocol to their websites for a 60-day period for public review and comment. The Departments of Agriculture, Health, and Natural Resources and the Pollution Control Agency must hold one or more public informational meetings on the draft protocol. The Departments of Agriculture, Health, and Natural Resources and the Pollution Control Agency must consider comments submitted during the public comment period before posting the final protocol to their websites.

Subd. 3. **Implementation.** Once the protocol has been published, the relevant state agencies must follow the protocol and must maintain data related to each fish kill response documenting the extent to which the protocol was followed and any reasons why it was not. Once the protocol is in effect, investigation reports for fish kills must be posted to the *EQB Monitor*.

Subd. 4. **Updating protocol.** The updated protocol must be reviewed by the commissioners of agriculture, health, and natural resources and the commissioner of the Pollution Control Agency at least every five years according to the procedures in this section.

Sec. 84. Minnesota Statutes 2022, section 103G.271, subdivision 6, is amended to read:

Subd. 6. Water-use permit; processing fee. (a) Except as described in paragraphs (b) to (g), a water-use permit processing fee must be prescribed by the commissioner in accordance with the schedule of fees in this subdivision for each water-use permit in force at any time during the year. Fees collected under this paragraph are credited to the water management account in the natural resources fund. The schedule is as follows, with the stated fee in each clause applied to the total amount appropriated:

(1) \$140 for amounts not exceeding 50,000,000 gallons per year;

(2) \$3.50 per 1,000,000 gallons for amounts greater than 50,000,000 gallons but less than 100,000,000 gallons per year;

(3) \$4 per 1,000,000 gallons for amounts greater than 100,000,000 gallons but less than 150,000,000 gallons per year;

(4) \$4.50 per 1,000,000 gallons for amounts greater than 150,000,000 gallons but less than 200,000,000 gallons per year;

(5) \$5 per 1,000,000 gallons for amounts greater than 200,000,000 gallons but less than 250,000,000 gallons per year;

(6) \$5.50 per 1,000,000 gallons for amounts greater than 250,000,000 gallons but less than 300,000,000 gallons per year;

(7) \$6 per 1,000,000 gallons for amounts greater than 300,000,000 gallons but less than 350,000,000 gallons per year;

(8) \$6.50 per 1,000,000 gallons for amounts greater than 350,000,000 gallons but less than 400,000,000 gallons per year;

(9) \$7 per 1,000,000 gallons for amounts greater than 400,000,000 gallons but less than 450,000,000 gallons per year;

(10) \$7.50 per 1,000,000 gallons for amounts greater than 450,000,000 gallons but less than 500,000,000 gallons per year; and

(11) \$8 per 1,000,000 gallons for amounts greater than 500,000,000 gallons per year.

(b) For once-through cooling systems, a water-use processing fee must be prescribed by the commissioner in accordance with the following schedule of fees for each water-use permit in force at any time during the year:

(1) for nonprofit corporations and school districts, \$200 per 1,000,000 gallons; and

(2) for all other users, \$420 per 1,000,000 gallons.

(c) The fee is payable based on the amount of water appropriated during the year and, except as provided in paragraph (f), the minimum fee is \$100.

(d) For water-use processing fees other than once-through cooling systems:

(1) the fee for a city of the first class may not exceed \$250,000 per year;

(2) the fee for other entities for any permitted use may not exceed:

(i) \$60,000 per year for an entity holding three or fewer permits;

(ii) \$90,000 per year for an entity holding four or five permits; or

(iii) \$300,000 per year for an entity holding more than five permits;

(3) the fee for agricultural irrigation may not exceed \$750 per year;

(4) the fee for a municipality that furnishes electric service and cogenerates steam for home heating may not exceed \$10,000 for its permit for water use related to the cogeneration of electricity and steam;

(5) the fee for a facility that temporarily diverts a water of the state from its natural channel to produce hydroelectric or hydromechanical power may not exceed \$5,000 per year. A permit for such a facility does not count toward the number of permits held by an entity as described in this paragraph; and

(6) no fee is required for a project involving the appropriation of surface water to prevent flood damage or to remove flood waters during a period of flooding, as determined by the commissioner.

(e) Failure to pay the fee is sufficient cause for revoking a permit. A penalty of ten percent per month calculated from the original due date must be imposed on the unpaid balance of fees remaining 30 days after the sending of a second notice of fees due. A fee may not be imposed on an agency, as defined in section 16B.01, subdivision 2, or federal governmental agency holding a water appropriation permit.

(f) The minimum water-use processing fee for a permit issued for irrigation of agricultural land is \$20 for years in which:

(1) there is no appropriation of water under the permit; or

(2) the permit is suspended for more than seven consecutive days between May 1 and October 1.

(g) The commissioner shall waive the water-use permit fee for installations and projects that use stormwater runoff or where public entities are diverting water to treat a water quality issue and returning the water to its source without using the water for any other purpose, unless the commissioner determines that the proposed use adversely affects surface water or groundwater.

(h) A surcharge of ~~\$30~~ \$50 per million gallons in addition to the fee prescribed in paragraph (a) shall be applied to the volume of water used in each of the months of May, June, July, and August, and September that exceeds the volume of water used in January for municipal water use, irrigation of golf courses, and landscape irrigation. The surcharge for municipalities with more than one permit shall be determined based on the total appropriations from all permits that supply a common distribution system.

Sec. 85. Minnesota Statutes 2022, section 103G.287, subdivision 2, is amended to read:

Subd. 2. Relationship to surface water resources. Groundwater appropriations ~~that will have negative impacts to surface waters are subject to applicable provisions in section 103G.285~~ may be authorized only if they avoid known negative impacts to surface waters. If the commissioner determines that groundwater appropriations are having a negative impact to surface waters, the commissioner may use a sustainable diversion limit or other relevant method, tools, or information to implement measures so that groundwater appropriations do not negatively impact the surface waters.

Sec. 86. Minnesota Statutes 2022, section 103G.287, subdivision 3, is amended to read:

Subd. 3. Protecting groundwater supplies. The commissioner may establish water appropriation limits to protect groundwater resources. When establishing water appropriation limits to protect groundwater resources, the commissioner must consider the sustainability of the groundwater

resource, including the current and projected water levels, cumulative withdrawal rates from the resource on a monthly or annual basis, water quality, whether the use protects ecosystems, and the ability of future generations to meet their own needs. The commissioner may consult with the commissioners of health, agriculture, and the Pollution Control Agency and other state entities when determining the impacts on water quality and quantity.

Sec. 87. Minnesota Statutes 2022, section 103G.299, subdivision 1, is amended to read:

Subdivision 1. **Authority to issue administrative penalty orders.** (a) As provided in paragraph (b), the commissioner may issue an order requiring violations to be corrected and administratively assessing monetary penalties for violations of sections 103G.271 and 103G.275, and any rules adopted under those sections.

(b) An order under this section may be issued to a person for water appropriation activities without a required permit or for violating the terms of a required permit.

(c) The order must be issued as provided in this section and in accordance with the plan prepared under subdivision 12.

Sec. 88. Minnesota Statutes 2022, section 103G.299, subdivision 2, is amended to read:

Subd. 2. **Amount of penalty; considerations.** (a) The commissioner may issue orders assessing administrative penalties ~~based on potential for harm and deviation from compliance. For a violation that presents:~~ up to \$40,000.

~~(1) a minor potential for harm and deviation from compliance, the penalty will be no more than \$1,000;~~

~~(2) a moderate potential for harm and deviation from compliance, the penalty will be no more than \$10,000; and~~

~~(3) a severe potential for harm and deviation from compliance, the penalty will be no more than \$20,000.~~

(b) In determining the amount of a penalty the commissioner may consider:

(1) the gravity of the violation, including potential for, or real, damage to the public interest or natural resources of the state;

(2) the history of past violations;

(3) the number of violations;

(4) the economic benefit gained by the person by allowing or committing the violation based on data from local or state bureaus or educational institutions; and

(5) other factors as justice may require, if the commissioner specifically identifies the additional factors in the commissioner's order.

(c) For a violation after an initial violation, including a continuation of the initial violation, the commissioner must, in determining the amount of a penalty, consider the factors in paragraph (b) and the:

- (1) similarity of the most recent previous violation and the violation to be penalized;
- (2) time elapsed since the last violation;
- (3) number of previous violations; and
- (4) response of the person to the most recent previous violation identified.

Sec. 89. Minnesota Statutes 2022, section 103G.299, subdivision 5, is amended to read:

Subd. 5. **Penalty.** (a) Except as provided in paragraph (b), if the commissioner determines that the violation has been corrected or appropriate steps have been taken to correct the action, the penalty must be forgiven. Unless the person requests review of the order under subdivision 6 or 7 before the penalty is due, the penalty in the order is due and payable:

(1) on the 31st day after the order was received, if the person subject to the order fails to provide information to the commissioner showing that the violation has been corrected or that appropriate steps have been taken toward correcting the violation; or

(2) on the 20th day after the person receives the commissioner's determination under subdivision 4, paragraph (c), if the person subject to the order has provided information to the commissioner that the commissioner determines is not sufficient to show that the violation has been corrected or that appropriate steps have been taken toward correcting the violation.

(b) For repeated or serious violations, the commissioner may issue an order with a penalty that is not forgiven after the corrective action is taken. The penalty is due ~~by~~ 31 days after the order ~~was~~ is received, unless review of the order under subdivision 6 or 7 ~~has been~~ is sought.

(c) Interest at the rate established in section 549.09 begins to accrue on penalties under this subdivision on the 31st day after the order with the penalty ~~was~~ is received.

Sec. 90. Minnesota Statutes 2022, section 103G.299, subdivision 10, is amended to read:

Subd. 10. **Cumulative remedy.** The authority of the commissioner to issue a corrective order assessing penalties is in addition to other remedies available under statutory or common law, ~~except that the state may not seek civil penalties under any other provision of law for the violations covered by the administrative penalty order.~~ The payment of a penalty does not preclude the use of other enforcement provisions, ~~under which penalties are not assessed,~~ in connection with the violation for which the penalty was assessed.

Sec. 91. **[103G.2991] PENALTIES; ENFORCEMENT.**

Subdivision 1. **Civil penalties.** (a) The commissioner, according to section 103G.134, may issue a notice to a person who violates:

- (1) this chapter;

(2) a permit issued under this chapter or a term or condition of a permit issued under this chapter;

(3) a duty under this chapter to permit an inspection, entry, or monitoring activity or a duty under this chapter to carry out an inspection or monitoring activity;

(4) a rule adopted under this chapter;

(5) a stipulation agreement, variance, or schedule of compliance entered into under this chapter;

or

(6) an order issued by the commissioner under this chapter.

(b) A person issued a notice forfeits and must pay to the state a penalty, in an amount to be determined by the district court, of not more than \$10,000 per day of violation.

(c) In the discretion of the district court, a defendant under this section may be required to:

(1) forfeit and pay to the state a sum that adequately compensates the state for the reasonable value of restoration, monitoring, and other expenses directly resulting from the unauthorized use of or damage to natural resources of the state; and

(2) forfeit and pay to the state an additional sum to constitute just compensation for any damage, loss, or destruction of the state's natural resources and for other actual damages to the state caused by an unauthorized use of natural resources of the state.

(d) As a defense to damages assessed under paragraph (c), a defendant may prove that the violation was caused solely by:

(1) an act of God;

(2) an act of war;

(3) negligence on the part of the state;

(4) an act or failure to act that constitutes sabotage or vandalism; or

(5) any combination of clauses (1) to (4).

(e) The civil penalties and damages provided for in this subdivision may be recovered by a civil action brought by the attorney general in the name of the state in Ramsey County District Court. Civil penalties and damages provided for in this subdivision may be resolved by the commissioner through a negotiated stipulation agreement according to the authority granted to the commissioner in section 103G.134.

Subd. 2. **Enforcement.** This chapter and rules, standards, orders, stipulation agreements, schedules of compliance, and permits adopted or issued by the commissioner under this chapter or any other law for preventing, controlling, or abating damage to natural resources may be enforced by one or more of the following:

(1) criminal prosecution;

- (2) action to recover civil penalties;
- (3) injunction;
- (4) action to compel performance; or
- (5) other appropriate action according to this chapter.

Subd. 3. **Injunctions.** A violation of this chapter or rules, standards, orders, stipulation agreements, variances, schedules of compliance, and permits adopted or issued under this chapter constitutes a public nuisance and may be enjoined as provided by law in an action, in the name of the state, brought by the attorney general.

Subd. 4. **Actions to compel performance.** (a) In an action to compel performance of an order issued by the commissioner for any purpose related to preventing, controlling, or abating damage to natural resources under this chapter, the court may require a defendant adjudged responsible to do and perform any and all acts set forth in the commissioner's order and all things within the defendant's power that are reasonably necessary to accomplish the purposes of the order.

(b) If a municipality or its governing or managing body or any of its officers is a defendant, the court may require the municipality to exercise its powers, without regard to any limitation of a requirement for an election or referendum imposed thereon by law and without restricting the powers of the commissioner, to do any or all of the following, without limiting the generality hereof:

- (1) levy taxes or special assessments;
 - (2) prescribe service or use charges;
 - (3) borrow money;
 - (4) issue bonds;
 - (5) employ assistance;
 - (6) acquire real or personal property;
 - (7) let contracts;
 - (8) otherwise provide for doing work or constructing, installing, maintaining, or operating facilities; and
 - (9) do all acts and things reasonably necessary to accomplish the purposes of the commissioner's order.
- (c) The court must grant a municipality under paragraph (b) the opportunity to determine the appropriate financial alternatives to be used to comply with the court-imposed requirements.
- (d) An action brought under this subdivision must be venued in Ramsey County District Court.

Sec. 92. Minnesota Statutes 2022, section 103G.301, subdivision 2, is amended to read:

Subd. 2. **Permit application and notification fees.** (a) A fee to defray the costs of receiving, recording, and processing must be paid for a permit application authorized under this chapter, except for a general permit application, for each request to amend or transfer an existing permit, and for a notification to request authorization to conduct a project under a general permit. Fees established under this subdivision, unless specified in paragraph (c), must comply with section 16A.1285.

(b) Proposed projects that require water in excess of 100 million gallons per year must be assessed fees to recover the costs incurred to evaluate the project and the costs incurred for environmental review. Fees collected under this paragraph must be credited to an account in the natural resources fund and are appropriated to the commissioner.

(c) The fee to apply for a permit to appropriate water, in addition to any fee under paragraph (b), is \$150. The application fee for a permit to construct or repair a dam that is subject to a dam safety inspection, to work in public waters, or to divert waters for mining must be at least ~~\$300~~ \$1,200, but not more than ~~\$3,000~~ \$12,000. The fee for a notification to request authorization to conduct a project under a general permit is ~~\$100~~ \$400.

Sec. 93. Minnesota Statutes 2022, section 103G.301, subdivision 6, is amended to read:

Subd. 6. **Filing application.** An application for a permit must be filed with the commissioner ~~and~~. If the proposed activity for which the permit is requested is within a municipality, ~~or~~ is within or affects a watershed district or a soil and water conservation district, or is within the boundaries of a reservation or Tribal community of a federally recognized Indian Tribe in Minnesota, a copy of the application with maps, plans, and specifications must be served on the mayor of the municipality, the secretary of the board of managers of the watershed district, ~~and~~ the secretary of the board of supervisors of the soil and water conservation district, or the Tribal chair of the federally recognized Indian Tribe, as applicable. For purposes of this section, "federally recognized Indian Tribe" means the Minnesota Tribal governments listed in section 10.65, subdivision 2.

Sec. 94. Minnesota Statutes 2022, section 103G.301, subdivision 7, is amended to read:

Subd. 7. **Recommendation of local units of government and federally recognized Indian Tribes.** (a) If the proposed activity for which the permit is requested is within a municipality, or is within or affects a watershed district or a soil and water conservation district, the commissioner may obtain a written recommendation of the managers of the district and the board of supervisors of the soil and water conservation district or the mayor of the municipality before issuing or denying the permit.

(b) The managers, supervisors, or mayor must file a recommendation within 30 days after receiving of a copy of the application for permit.

(c) If the proposed activity for which the permit is requested is within the boundaries of a reservation or Tribal community of a federally recognized Indian Tribe in Minnesota, the federally recognized Indian Tribe may:

(1) submit recommendations to the commissioner within 30 days of receiving the application;
or

(2) request Tribal consultation according to section 10.65 within 30 days of receiving the application.

(d) If Tribal consultation is requested under paragraph (c), clause (2), a permit application is not complete until after the consultation occurs or 90 days after the request for consultation is made, whichever is sooner.

Sec. 95. Minnesota Statutes 2022, section 171.07, is amended by adding a subdivision to read:

Subd. 20. **Watercraft operator's permit.** (a) The department must maintain in its records information transmitted electronically from the commissioner of natural resources identifying each person to whom the commissioner has issued a watercraft operator's permit. The records transmitted from the Department of Natural Resources must contain the full name and date of birth as required for the driver's license or identification card. Records that are not matched to a driver's license or identification card record may be deleted after seven years.

(b) After receiving information under paragraph (a) that a person has received a watercraft operator's permit, the department must include on all drivers' licenses or Minnesota identification cards subsequently issued to the person a graphic or written indication that the person has received the permit.

(c) If a person who has received a watercraft operator's permit applies for a driver's license or Minnesota identification card before that information has been transmitted to the department, the department may accept a copy of the certificate as proof of its issuance and must then follow the procedures in paragraph (b).

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

Sec. 96. 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.

(h) ~~72.43~~ 81.56 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 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) 1.5 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65 must be deposited in a regional parks and trails account in the natural resources fund and may only be spent for parks and trails of regional significance outside of the seven-county metropolitan area under section 85.535, based on recommendations from the Greater Minnesota Regional Parks and Trails Commission under section 85.536.

(j) 1.5 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65 must be deposited in an outdoor recreational opportunities for underserved communities account in the natural resources fund and may only be spent on projects and activities that connect diverse and underserved Minnesotans through expanding cultural environmental experiences, exploration of their environment, and outdoor recreational activities.

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

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

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

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

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

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

Sec. 97. **UPPER SIOUX AGENCY STATE PARK; LAND TRANSFER.**

(a) The commissioner of natural resources must convey for no consideration all state-owned land within the boundaries of Upper Sioux Agency State Park to the Upper Sioux Community.

(b) Upon approval by the Minnesota Historical Society's Executive Council, the Minnesota Historical Society may convey for no consideration state-owned land and real property in the Upper Sioux Agency Historic Site, as defined in Minnesota Statutes, section 138.662, subdivision 33, to the Upper Sioux Community. In cooperation with the commissioner of natural resources, the Minnesota Historical Society must identify any funding restrictions or other legal barriers to conveying the land.

(c) By January 15, 2024, the commissioner, in cooperation with the Minnesota Historical Society, must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over environment and natural resources that identifies all barriers to conveying land within Upper Sioux Agency State Park and recommendations for addressing those barriers, including any legislation needed to eliminate those barriers.

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

Sec. 98. **REQUIRED RULEMAKING.**

Subdivision 1. **Snowmobile registration.** (a) The commissioner of natural resources must amend Minnesota Rules as follows:

(1) part 6100.5000, subpart 1, by striking the last sentence and inserting "The registration number remains the same if renewed by July 1 following the expiration date."; and

(2) part 6100.5700, subpart 1, item C, by striking the reference to registration numbers.

(b) The commissioner may use the good-cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Subd. 2. **Walk-in access program.** The commissioner of natural resources must amend Minnesota Rules, part 6230.0250, subpart 10, item A, subitem (2), to replace the word "hunter" with "person." The commissioner may use the good cause exempt rulemaking procedure under Minnesota Statutes, section 14.388, subdivision 1, clause (3), and Minnesota Statutes, section 14.386, does not apply.

Sec. 99. **REGISTRATION DECAL FORMAT TRANSITION.**

Separately displaying registration numbers is not required when a larger-format registration decal as provided under Minnesota Statutes, section 84.82, subdivision 2, is displayed according to Minnesota Statutes, section 84.82, subdivision 3b. Snowmobiles displaying valid but older, smaller-format registration decals must display the separate registration numbers. Persons may obtain duplicate registration decals in the new, larger format, when available, without being required to display the separate registration numbers.

Sec. 100. REPORT ON FERAL PIGS AND MINK.

By February 15, 2024, the commissioner of natural resources, in cooperation with the Board of Animal Health and the commissioners of agriculture and health, must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and environment and natural resources that:

(1) identifies the responsibilities of the Board of Animal Health and the commissioners of natural resources, health, and agriculture for managing feral pigs and mink;

(2) identifies any need to clarify or modify responsibilities for feral pig and mink management;
and

(3) includes policy recommendations for managing feral pigs and mink to further prevent negative impacts on the environment and human health.

Sec. 101. STATUTORY AND RULE REVISIONS TO PREVENT FISH KILLS IN DRIFTLESS AREA.

By January 15, 2024, the commissioners of agriculture, health, and natural resources and the commissioner of the Pollution Control Agency must make recommendations to the legislature for statutes and rules that should be amended to prevent fish kills within the boundaries of the Department of Natural Resources Paleozoic Plateau ecological section.

Sec. 102. TURTLE SELLER'S LICENSES; TRANSFER AND RENEWAL.

The commissioner of natural resources must not renew or transfer a turtle seller's license after the effective date of this section.

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

Sec. 103. SWAN RESTITUTION VALUES; RULE AMENDMENTS.

(a) The commissioner of natural resources must amend Minnesota Rules, part 6133.0030, to increase the restitution value of a tundra swan from \$200 to \$1,000 and the restitution value of a trumpeter swan from \$1,000 to \$2,500.

(b) The commissioner of natural resources must amend Minnesota Rules, chapter 6133, to double the restitution values for wild game when a person takes, harasses, or destroys the wild game with malicious intent.

(c) The commissioner of natural resources may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Sec. 104. **NATIVE FISH CONSERVATION; REPORTS.**

(a) By August 1, 2023, the commissioner of natural resources must submit a written update on the progress of identifying necessary protection and conservation measures for native fish currently defined as rough fish under Minnesota Statutes, section 97A.015, subdivision 43, including buffalo, sucker, sheepshead, bowfin, gar, goldeye, and bullhead to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources.

(b) By December 15, 2023, the commissioner of natural resources must submit a written report with recommendations for statutory and rule changes to provide necessary protection and conservation measures and research needs for native fish currently designated as rough fish to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources. The report must include recommendations for amending Minnesota Statutes to separately classify fish that are native to Minnesota and that are currently designated as rough fish and invasive fish that are currently designated as rough fish. For the purposes of this paragraph, native fish include but are not limited to bowfin (*Amia calva*), bigmouth buffalo (*Ictiobus cyprinellus*), smallmouth buffalo (*Ictiobus bubalus*), burbot (*Lota lota*), longnose gar (*Lepisosteus osseus*), shortnose gar (*Lepisosteus platostomus*), goldeye (*Hiodon alosoides*), mooneye (*Hiodon tergisus*), and white sucker (*Catostomus commersonii*), and invasive fish include but are not limited to bighead carp (*Hypophthalmichthys nobilis*), grass carp (*Ctenopharyngodon idella*), and silver carp (*Hypophthalmichthys molitrix*).

Sec. 105. **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. 106. **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.

Sec. 107. **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.

Sec. 108. **DEPARTMENT OF NATURAL RESOURCES OUTREACH TO SOUTHEAST ASIAN MINNESOTANS.**

The commissioner of natural resources must recruit and hire at least 3.5 full-time equivalent positions to engage in outreach to members of Southeast Asian communities in Minnesota about hunting and fishing opportunities and regulations in this state. No more than two of these full-time equivalent positions may be conservation officers and all persons hired pursuant to this section must be fluent in the Hmong or Karen language.

Sec. 109. **ENSURING ADEQUATE BAIT SUPPLY.**

(a) Notwithstanding Minnesota Statutes, sections 97C.211, 97C.341, and 97C.515, or any other provision of law, the commissioner of natural resources may adopt emergency rules in accordance with Minnesota Statutes, section 84.027, subdivision 13, including by the expedited emergency process described in Minnesota Statutes, section 84.027, subdivision 13, paragraph (b), to alleviate a shortage of bait in this state, including by allowing importation of live minnows into the state.

Only minnows harvested from waters in states that are adjacent to Minnesota may be imported under this section.

(b) By January 15, 2024, the commissioner, in consultation with bait producers, bait harvesters, retailers, and other fishing interest groups, must submit recommendations to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources to ensure a viable Minnesota-grown bait supply and sustainable bait industry for anglers of Minnesota that minimizes the risk of spreading aquatic invasive species or fish disease in Minnesota.

(c) This section expires June 30, 2025.

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

Sec. 110. 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.

Sec. 111. REVISOR INSTRUCTION.

The revisor of statutes must renumber the subdivisions of Minnesota Statutes, section 103G.005, listed in column A to the references listed in column B. The revisor must make necessary cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the renumbering:

<u>Column A</u>	<u>Column B</u>
<u>subdivision 9b</u>	<u>subdivision 9d</u>
<u>subdivision 13a</u>	<u>subdivision 13c</u>
<u>subdivision 15h</u>	<u>subdivision 15j</u>

Sec. 112. REPEALER.

(a) Minnesota Rules, parts 6100.5000, subparts 3, 4, and 5; 6100.5700, subpart 4; and 6115.1220, subpart 8, are repealed.

(b) Minnesota Statutes 2022, sections 86B.101; 86B.305; and 86B.313, subdivisions 2 and 3, are repealed.

(c) Minnesota Rules, part 6256.0500, subparts 2, 2a, 2b, 4, 5, 6, 7, and 8, are repealed.

(d) Minnesota Statutes 2022, section 97C.605, subdivisions 2, 2a, 2b, and 5, are repealed.

EFFECTIVE DATE. Paragraph (b) is effective July 1, 2025, and paragraphs (c) and (d) are effective January 1, 2024.

ARTICLE 5**WATER AND SOIL RESOURCES**

Section 1. Minnesota Statutes 2022, section 103B.101, subdivision 2, is amended to read:

Subd. 2. **Voting members.** (a) The members are:

- (1) three county commissioners;
 - (2) three soil and water conservation district supervisors;
 - (3) three watershed district or watershed management organization representatives;
 - (4) three citizens who are not employed by, or the appointed or elected officials of, a state governmental office, board, or agency;
 - (5) one township officer;
 - (6) two elected city officials, one of whom must be from a city located in the metropolitan area, as defined under section 473.121, subdivision 2;
 - (7) the commissioner of agriculture;
 - (8) the commissioner of health;
 - (9) the commissioner of natural resources;
 - (10) the commissioner of the Pollution Control Agency; and
 - (11) the director of the University of Minnesota Extension Service.
- (b) Members in paragraph (a), clauses (1) to (6), must be distributed across the state with at least four members but not more than six members from the metropolitan area, as defined by section 473.121, subdivision 2.
- (c) Members in paragraph (a), clauses (1) to (6), are appointed by the governor. In making the appointments, the governor may consider persons recommended by the Association of Minnesota Counties, the Minnesota Association of Townships, the League of Minnesota Cities, the Minnesota Association of Soil and Water Conservation Districts, and the Minnesota Association of Watershed Districts. The list submitted by an association must contain at least three nominees for each position to be filled.
- (d) The membership terms, compensation, removal of members and filling of vacancies on the board for members in paragraph (a), clauses (1) to (6), are as provided in section 15.0575, except that a member may be compensated at the rate of up to \$125 a day.

Sec. 2. Minnesota Statutes 2022, section 103B.101, subdivision 9, is amended to read:

Subd. 9. **Powers and duties.** (a) In addition to the powers and duties prescribed elsewhere, the board shall:

(1) coordinate the water and soil resources planning and implementation activities of counties, soil and water conservation districts, watershed districts, watershed management organizations, and any other local units of government through its various authorities for approval of local plans, administration of state grants, contracts and easements, and by other means as may be appropriate;

(2) facilitate communication and coordination among state agencies in cooperation with the Environmental Quality Board, and between state and local units of government, in order to make the expertise and resources of state agencies involved in water and soil resources management available to the local units of government to the greatest extent possible;

(3) coordinate state and local interests with respect to the study in southwestern Minnesota under United States Code, title 16, section 1009;

(4) develop information and education programs designed to increase awareness of local water and soil resources problems and awareness of opportunities for local government involvement in preventing or solving them;

(5) provide a forum for the discussion of local issues and opportunities relating to water and soil resources management;

(6) adopt an annual budget and work program that integrate the various functions and responsibilities assigned to it by law; and

(7) report to the governor and the legislature by October 15 of each even-numbered year with an assessment of board programs and recommendations for any program changes and board membership changes necessary to improve state and local efforts in water and soil resources management.

(b) The board may accept grants, gifts, donations, or contributions in money, services, materials, or otherwise from the United States, a state agency, or other source to achieve an authorized or delegated purpose. The board may enter into a contract or agreement necessary or appropriate to accomplish the transfer. The board may conduct or participate in local, state, or federal programs or projects that have as one purpose or effect the preservation or enhancement of water and soil resources and may enter into and administer agreements with local governments or landowners or their designated agents as part of those programs or projects. The board may receive and expend money to acquire conservation easements, as defined in chapter 84C, on behalf of the state and federal government consistent with the Camp Ripley's Army Compatible Use Buffer Project, Sentinel Landscape program, or related conservation programs. The board may enter into agreements, including grant agreements, with Tribal nations, federal agencies, higher education institutions, local governments, and private sector organizations to carry out programs and other responsibilities prescribed or allowed by statute.

(c) Any money received is hereby deposited in an account in a fund other than the general fund and appropriated and dedicated for the purpose for which it is granted.

Sec. 3. Minnesota Statutes 2022, section 103B.101, subdivision 16, is amended to read:

Subd. 16. **Water quality Conservation practices; standardized specifications.** (a) The board of Water and Soil Resources shall must work with state and federal agencies, Tribal Nations, academic

institutions, local governments, practitioners, and stakeholders to foster mutual understanding and provide recommendations for standardized specifications for ~~water quality and soil conservation protection and improvement practices and~~ projects, and systems for:

- (1) erosion or sedimentation control;
- (2) improvements to water quality or water quantity;
- (3) habitat restoration and enhancement;
- (4) energy conservation; and
- (5) climate adaptation, resiliency, or mitigation.

(b) The board may convene working groups or work teams to develop information, education, and recommendations.

Sec. 4. Minnesota Statutes 2022, section 103B.101, is amended by adding a subdivision to read:

Subd. 18. **Guidelines for establishing and enhancing native vegetation.** (a) The board must work with state and federal agencies, Tribal Nations, academic institutions, local governments, practitioners, and stakeholders to foster mutual understanding and to provide recommendations for standardized specifications to establish and enhance native vegetation to provide benefits for:

- (1) water quality;
- (2) soil conservation;
- (3) habitat enhancement;
- (4) energy conservation; and
- (5) climate adaptation, resiliency, or mitigation.

(b) The board may convene working groups or work teams to develop information, education, and recommendations.

Sec. 5. Minnesota Statutes 2022, section 103B.103, is amended to read:

103B.103 EASEMENT STEWARDSHIP ACCOUNTS.

Subdivision 1. **Accounts established; sources.** (a) The water and soil conservation easement stewardship account and the mitigation easement stewardship account are created in the special revenue fund. The accounts consist of money credited to the accounts and interest and other earnings on money in the accounts. The State Board of Investment must manage the accounts to maximize long-term gain.

(b) Revenue from contributions and money appropriated for any purposes of the account as described in subdivision 2 must be deposited in the water and soil conservation easement stewardship account. Revenue from contributions, ~~wetland banking mitigation~~ fees designated for stewardship purposes by the board, easement stewardship payments authorized under subdivision 3, and money

appropriated for any purposes of the account as described in subdivision 2 must be deposited in the mitigation easement stewardship account.

Subd. 2. **Appropriation; purposes of accounts.** Five percent of the balance on July 1 each year in the water and soil conservation easement stewardship account and five percent of the balance on July 1 each year in the mitigation easement stewardship account are annually appropriated to the board and may be spent ~~only~~ to cover the costs of managing easements held by the board, including costs associated with:

- (1) repairing or replacing structures;
- (2) monitoring;
- (3) landowner contacts;
- (4) records storage and management;
- (5) processing landowner notices;
- (6) requests for approval or amendments;
- (7) enforcement; and
- (8) legal services associated with easement management activities.

Subd. 3. **Financial contributions.** The board shall seek a financial contribution to the water and soil conservation easement stewardship account for each conservation easement acquired by the board. The board shall seek a financial contribution or assess an easement stewardship payment to the mitigation easement stewardship account for each wetland ~~banking~~ mitigation easement acquired by the board. Unless otherwise provided by law, the board shall determine the amount of the contribution or payment, which must be an amount calculated to earn sufficient money to meet the costs of managing the easement at a level that neither significantly overrecovers nor underrecovers the costs. In determining the amount of the financial contribution, the board shall consider:

- (1) the estimated annual staff hours needed to manage the conservation easement, taking into consideration factors such as easement type, size, location, and complexity;
- (2) the average hourly wages for the class or classes of state and local employees expected to manage the easement;
- (3) the estimated annual travel expenses to manage the easement;
- (4) the estimated annual miscellaneous costs to manage the easement, including supplies and equipment, information technology support, and aerial flyovers;
- (5) the estimated annualized costs of legal services, including the cost to enforce the easement in the event of a violation;
- (6) the estimated annualized costs for repairing or replacing water control structures; and

~~(6)~~ (7) the expected rate of return on investments in the account.

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

Sec. 6. **[103B.104] LAWNS TO LEGUMES PROGRAM.**

(a) The Board of Water and Soil Resources may provide financial and technical assistance to plant residential landscapes and community spaces with native vegetation and pollinator-friendly forbs and legumes to:

(1) protect a diversity of pollinators with declining populations; and

(2) provide additional benefits for water management, carbon sequestration, and landscape and climate resiliency.

(b) The board must establish criteria for grants or payments awarded under this section. Grants or payments awarded under this section may give priority consideration for proposals in areas identified by the United States Fish and Wildlife Service as areas where there is a high potential for rusty patched bumble bees and other priority species to be present.

(c) The board may collaborate with and enter into agreements with federal, state, and local agencies; Tribal Nations; nonprofit organizations; and contractors to implement and promote the program.

Sec. 7. **[103B.105] HABITAT-FRIENDLY UTILITIES PROGRAM.**

(a) The Board of Water and Soil Resources may provide financial and technical assistance to promote the successful establishment of native vegetation as part of utility projects, including solar and wind projects, pipelines, and electrical transmission corridors, to:

(1) ensure the integrity and resiliency of Minnesota landscapes; and

(2) protect habitat and water resources.

(b) The board must establish criteria for grants or payments awarded under this section. Grants or payments awarded under this section may prioritize proposals in areas identified by state and federal agencies and conservation partners for protecting high-priority natural resources and wildlife species.

(c) The board may collaborate with and enter into agreements with federal, state, and local agencies; Tribal Nations; utility companies; nonprofit organizations; and contractors to implement and promote the program.

Sec. 8. **[103B.106] HABITAT ENHANCEMENT LANDSCAPE PROGRAM.**

(a) The Board of Water and Soil Resources may provide financial and technical assistance to establish or enhance areas of diverse native vegetation to:

(1) support declining populations of bees, butterflies, dragonflies, birds, and other wildlife species that are essential for ecosystems and food production across conservation lands, open spaces, and natural areas; and

(2) provide additional benefits for water management, carbon sequestration, and landscape and climate resiliency.

(b) The board must establish criteria for grants or payments awarded under this section. Grants or payments awarded under this section may prioritize proposals in areas identified by state and federal agencies and conservation partners as high priority for protecting endangered or threatened pollinator and other species.

(c) The board may collaborate with and enter into agreements with federal, state, and local agencies; Tribal Nations; nonprofit organizations; and contractors to implement and promote the program.

Sec. 9. Minnesota Statutes 2022, section 103C.501, subdivision 1, is amended to read:

Subdivision 1. **Cost-share Program authorization.** The state board may allocate available funds to districts ~~to share the cost of systems or~~ for practices, projects, and systems for:

(1) erosion or sedimentation control or;

(2) improvements to water quality improvement that are designed to protect and improve soil and water resources; or water quantity;

(3) habitat enhancement;

(4) plant biodiversity;

(5) energy conservation; or

(6) climate adaptation, resiliency, or mitigation.

Sec. 10. Minnesota Statutes 2022, section 103C.501, subdivision 4, is amended to read:

Subd. 4. **Cost-sharing Use of funds.** ~~(a) The state board shall allocate cost-sharing funds to areas with high-priority erosion, sedimentation, or water quality problems or water quantity problems due to altered hydrology. The areas must be selected based on priorities established by the state board.~~

~~(b) The allocated funds must be used for:~~

(1) for conservation practices for high-priority problems activities, including technical and financial assistance, identified in the comprehensive and annual work plans of the districts, for the technical assistance portion of the grant funds state-approved plans that are related to water and natural resources and established under chapters 103B, 103C, 103D, 103F, 103G, and 114D;

(2) to leverage federal or other nonstate funds; or

(3) to address high-priority needs identified in local water management plans or comprehensive watershed management plans by the district based on public input.

Sec. 11. Minnesota Statutes 2022, section 103C.501, subdivision 5, is amended to read:

Subd. 5. **Contracts by districts.** (a) A district ~~board~~ may ~~contract on a cost-share basis to furnish financial aid to provide technical and financial assistance to~~ a land occupier or to a state or federal agency for permanent systems practices and projects for:

(1) erosion or sedimentation control or;

(2) improvements to water quality or water quantity improvements that are consistent with the district's comprehensive and annual work plans;

(3) habitat enhancement;

(4) plant biodiversity;

(5) energy conservation; or

(6) climate adaptation, resiliency, or mitigation.

(b) A district ~~board, with approval from the state board and,~~ consistent with state board rules and policies, may ~~contract on a cost-share basis to furnish financial aid to a land occupier for to~~ provide technical and financial assistance for structural and nonstructural land management practices that are part of a planned erosion control or water quality improvement plan and projects.

~~(c) The duration of the contract must, at a minimum, be the time required to complete the planned systems. A contract must specify that the land occupier is liable for monetary damages and penalties in an amount up to 150 percent of the financial assistance received from the district, for failure to complete the systems or practices in a timely manner or maintain the systems or practices as specified in the contract.~~

~~(d) A contract may provide for cooperation or funding with federal agencies. A land occupier or state agency may provide the cost-sharing portion of the contract through services in kind.~~

~~(e) (c)~~ The state board or the district ~~board~~ may not furnish any financial aid assistance for practices designed only to increase land productivity.

~~(f) (d)~~ When a district ~~board~~ determines that long-term maintenance of a system or practice is desirable, the district or the state board may require that maintenance be made a covenant upon the land for the effective life of the practice. A covenant under this subdivision shall be construed in the same manner as a conservation restriction under section 84.65.

Sec. 12. Minnesota Statutes 2022, section 103C.501, subdivision 6, is amended to read:

Subd. 6. **Policies and rules.** ~~(a)~~ The state board may adopt rules and shall adopt policies prescribing:

(1) procedures and criteria for allocating funds for cost-sharing contracts; and

(2) standards and guidelines for ~~cost-sharing~~ implementing the conservation contracts; program.

(3) ~~the scope and content of district comprehensive plans, plan amendments, and annual work plans;~~

(4) ~~standards and methods necessary to plan and implement a priority cost-sharing program, including guidelines to identify high priority erosion, sedimentation, and water quality problems and water quantity problems due to altered hydrology;~~

(5) ~~the share of the cost of conservation practices to be paid from cost-sharing funds; and~~

(6) ~~requirements for districts to document their efforts to identify and contact land occupiers with high priority problems.~~

(b) ~~The rules may provide that cost sharing may be used for windbreaks and shelterbelts for the purposes of energy conservation and snow protection.~~

Sec. 13. Minnesota Statutes 2022, section 103C.501, is amended by adding a subdivision to read:

Subd. 7. **Inspections.** The district or the district's delegate must conduct site inspections of conservation practices installed to determine if the land occupier is in compliance with design, operation, and maintenance specifications.

Sec. 14. Minnesota Statutes 2022, section 103D.605, subdivision 5, is amended to read:

Subd. 5. **Establishment order.** After the project hearing, if the managers find that the project will be conducive to public health, will promote the general welfare, and is in compliance ~~complies~~ with the watershed management plan and the provisions of this chapter, ~~the board~~ managers must, by order, establish the project. The establishment order must include the findings of the managers.

Sec. 15. **[103F.06] SOIL HEALTH PRACTICES PROGRAM.**

Subdivision 1. **Definitions.** (a) In this section, the following terms have the meanings given:

(1) "board" means the Board of Water and Soil Resources;

(2) "local units of government" has the meaning given under section 103B.305, subdivision 5;
and

(3) "soil health" has the meaning given under section 103C.101, subdivision 10a.

Subd. 2. **Establishment.** (a) The board must administer a financial and technical support program to produce soil health practices that achieve water quality, soil productivity, climate change resiliency, or carbon sequestration benefits or reduce pesticide and fertilizer use.

(b) The program must include but is not limited to no till, field borders, prairie strips, cover crops, and other practices sanctioned by the board or the United States Department of Agriculture's Natural Resources Conservation Service.

Subd. 3. **Financial and technical assistance.** (a) The board may provide financial and technical support to local units of government, private sector organizations, and farmers to establish soil health practices and related practices with climate and water-quality benefits.

(b) The board must establish practices and costs that are eligible for financial and technical support under this section.

Subd. 4. **Program implementation.** (a) The board may employ staff or enter into external agreements to implement this section.

(b) The board must assist local units of government in achieving the objectives of the program, including assessing practice standards and program effectiveness.

Subd. 5. **Federal aid availability.** The board must regularly review and optimize the availability of federal funds and programs to supplement or complement state and other efforts consistent with the purposes of this section.

Subd. 6. **Soil health practices.** The board, in consultation with the commissioner of agriculture, may cooperate with the United States Department of Agriculture, other federal and state agencies, local governments, and private sector organizations to establish soil health goals for the state that will achieve water quality, soil productivity, climate change resiliency, and carbon sequestration benefits and reduce pesticide and fertilizer use.

Sec. 16. Minnesota Statutes 2022, section 103F.505, is amended to read:

103F.505 PURPOSE AND POLICY.

(a) It is the purpose of sections 103F.505 to 103F.531 to restore certain marginal agricultural land and protect environmentally sensitive areas to:

- (1) enhance soil and water quality;
- (2) minimize damage to flood-prone areas;
- (3) sequester carbon, ~~and~~;
- (4) support native plant, fish, and wildlife habitats; and
- (5) establish perennial vegetation.

(b) It is state policy to encourage ~~the~~:

- (1) restoration of wetlands and riparian lands ~~and promote the retirement~~;
- (2) restoration and protection of marginal, highly erodible land, particularly land adjacent to public waters, drainage systems, wetlands, and locally designated priority waters; and
- (3) protection of environmentally sensitive areas, including wellhead protection areas, grasslands, peatlands, shorelands, karst geology, and forest lands in priority areas.

Sec. 17. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 5a. **Grasslands.** "Grasslands" means landscapes that are or were formerly dominated by grasses, that have a low percentage of trees and shrubs, and that provide economic and ecosystem services such as managed grazing, wildlife habitat, carbon sequestration, and water filtration and retention.

Sec. 18. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 8d. **Restored prairie.** "Restored prairie" means a restoration that uses at least 25 representative and biologically diverse native prairie plant species and that occurs on land that was previously cropped or used as pasture.

Sec. 19. **[103F.519] REINVEST IN MINNESOTA WORKING LANDS PROGRAM.**

Subdivision 1. **Establishment.** The board may establish and administer a reinvest in Minnesota working lands program that is in addition to the program established under section 103F.515. Selecting land for the program must be based on the land's potential for:

- (1) protecting or improving water quality;
- (2) reducing erosion;
- (3) improving soil health;
- (4) reducing chemical inputs;
- (5) improving carbon storage; and
- (6) increasing biodiversity and habitat for fish, wildlife, and native plants.

Subd. 2. **Applicability.** Section 103F.515 applies to this section except as otherwise provided in subdivisions 1, 3, and 4.

Subd. 3. **Nature of property rights acquired.** Notwithstanding section 103F.515, subdivision 4, paragraph (a), the board may authorize managed haying and managed livestock grazing, perennial or winter annual cover crop production, forest management, or other activities that the board determines are consistent with section 103F.505 or appropriation conditions or criteria.

Subd. 4. **Payments for easements.** The board must establish payment rates for acquiring easements and for related practices. The board must consider market factors as well as easement terms, including length and allowable uses, when establishing rates.

Sec. 20. Minnesota Statutes 2022, section 103G.2242, subdivision 1, is amended to read:

Subdivision 1. **Rules.** (a) The board, in consultation with the commissioner, shall adopt rules governing the approval of wetland value replacement plans under this section and public-waters-work permits affecting public waters wetlands under section 103G.245. These rules must address the

criteria, procedure, timing, and location of acceptable replacement of wetland values and may address the state establishment and administration of a wetland banking program for public and private projects, including provisions for an in-lieu fee program; mitigating and banking other water and water-related resources; the administrative, monitoring, and enforcement procedures to be used; and a procedure for the review and appeal of decisions under this section. In the case of peatlands, the replacement plan rules must consider the impact on carbon. Any in-lieu fee program established by the board must conform with Code of Federal Regulations, title 33, section 332.8, as amended.

(b) After the adoption of the rules, a replacement plan must be approved by a resolution of the governing body of the local government unit, consistent with the provisions of the rules or a comprehensive wetland protection and management plan approved under section 103G.2243.

(c) If the local government unit fails to apply the rules, or fails to implement a local comprehensive wetland protection and management plan established under section 103G.2243, the government unit is subject to penalty as determined by the board.

(d) When making a determination under rules adopted pursuant to this subdivision on whether a rare natural community will be permanently adversely affected, consideration of measures to mitigate any adverse effect on the community must be considered.

Sec. 21. DRAINAGE WORK GROUP REPORT.

(a) The Board of Water and Soil Resources and the Drainage Work Group established under Minnesota Statutes, section 103B.101, subdivision 13, must evaluate and develop recommendations on the following subjects:

(1) the definition and application of outlet adequacy as provided in Minnesota Statutes, section 103E.261; and

(2) public notice requirements for proposed public drainage activities, including a drainage registry portal.

(b) The board must submit the report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources by February 1, 2024.

Sec. 22. REPEALER.

(a) Minnesota Statutes 2022, section 103C.501, subdivisions 2 and 3, are repealed.

(b) Minnesota Rules, parts 8400.0500; 8400.0550; 8400.0600, subparts 4 and 5; 8400.0900, subparts 1, 2, 4, and 5; 8400.1650; 8400.1700; 8400.1750; 8400.1800; and 8400.1900, are repealed.

ARTICLE 6

STATE LANDS

Section 1. Minnesota Statutes 2022, section 84.66, subdivision 7, is amended to read:

Subd. 7. **Landowner responsibilities.** The commissioner may enroll eligible land in the program by signing an easement in recordable form with a landowner in which the landowner agrees to:

(1) convey to the state a permanent easement that is not subject to any prior title, lien, or encumbrance, except for preexisting easements that are acceptable to the commissioner; and

(2) manage the land in a manner consistent with the purposes for which the land was selected for the program and not convert the land to other uses.

Sec. 2. Laws 2023, chapter 9, section 19, is amended to read:

Sec. 19. LAND EXCHANGE; ST. LOUIS COUNTY.

Subdivision 1. **Authority.** (a) Notwithstanding Minnesota Statutes, section 92.461, and the riparian restrictions in Minnesota Statutes, section 94.342, subdivision 3, St. Louis County may, with the approval of the Land Exchange Board as required under the Minnesota Constitution, article XI, section 10, and according to the remaining provisions of Minnesota Statutes, sections 94.342 to 94.347, exchange the land described in paragraph (c).

(b) The conveyance must be in the form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The lands that may be conveyed are located in St. Louis County and are described as:

(1) Sections 1 and 2, Township 53 North, Range 18 West;

(2) Sections 19, 20, 29, 30, 31, and 32, Township 54 North, Range 17 West;

(3) Sections 24, 25, 26, and 35, Township 54 North, Range 18 West;

(4) Sections 22, 23, 26, and 27, Township 54 North, Range 19 West; and

(5) Sections 8, 9, 17, and 18, Township 55 North, Range 18 West.

Subd. 2. **Exchange for greater than substantially equal value.** Notwithstanding Minnesota Statutes, section 94.344, subdivisions 3 and 5, or any other law to the contrary, the county may require the exchange partner to exchange lands or a combination of lands and money valued in the amount of at least 125 percent of the state land referenced in subdivision 1, paragraph (c), in determining whether the proposal is in the best interests of the state.

Sec. 3. ADDITIONS TO STATE PARKS.

Subdivision 1. **[85.012] [Subd. 21.] Frontenac State Park, Goodhue County.** The following area is added to Frontenac State Park, Goodhue County:

That part of the Southeast Quarter of Section 10, Township 112 North, Range 13 West, and that part of the Southwest Quarter of Section 11, Township 112 North, Range 13 West, Goodhue County, Minnesota, described as follows: Commencing at the northeast corner of the Southeast Quarter of said Section 10; thence southerly on an assumed azimuth from North of 189 degrees 34 minutes 33 seconds, along the east line of the Southeast Quarter of said Section 10, a distance

of 1,100.31 feet; thence westerly 269 degrees 34 minutes 33 seconds azimuth, a distance of 80.53 feet to the point of beginning of the land to be described; thence northerly 340 degrees 42 minutes 19 seconds azimuth, a distance of 300.00 feet; thence easterly 100 degrees 22 minutes 46 seconds azimuth, a distance of 286.97 feet to the centerline of County Road Number 2, as now located and established; thence southerly and southwesterly, along said centerline, to the intersection with a line drawn southerly 160 degrees 42 minutes 19 seconds azimuth from the point of beginning; thence northerly 340 degrees 42 minutes 19 seconds azimuth, a distance of 51.66 feet to the point of beginning.

EXCEPT the following described premises:

Part of the Northeast Quarter of the Southeast Quarter of Section 10, Township 112 North, Range 13 West, Goodhue County, shown as Parcel 6 on the plat designated as Goodhue County Right-of-Way Plat No. 23 on file and of record in the Office of the County Recorder in and for Goodhue County, Minnesota.

ALSO EXCEPT the following:

Part of the Northwest Quarter of the Southwest Quarter of Section 11, Township 112 North, Range 13 West, Goodhue County, shown as Parcel 1 on the plat designated as Goodhue County Highway Right-Of-Way Plat No. 24 on file and of record in the Office of the County Recorder in and for Goodhue County, Minnesota.

Subd. 2. **[85.012] [Subd. 60.] William O'Brien State Park, Washington County.** The following area is added to William O'Brien State Park, Washington County:

The South Half of the Northwest Quarter, except the East 2 rods thereof, Section 25, Township 32, Range 20.

Sec. 4. **ADDITION TO STATE FOREST.**

[89.021] [Subd. 42a.] Riverlands State Forest. Those parts of St. Louis County described as follows are added to Riverlands State Forest:

That part of Government Lot 8, Section 30, Township 51 North, Range 19, St. Louis County, Minnesota, lying northwesterly of the railroad right-of-way.

Sec. 5. **PRIVATE SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; AITKIN COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Aitkin County and is described as:

The West 16.25 feet of that part of the 32.50-foot-wide road, as delineated on the Plat of Sugar Lake Addition, according to the plat of record and on file in the Office of the County Recorder in and for Aitkin County, Minnesota lying northerly of the following described line: Commencing at the iron monument at the southwest corner of Section 2, Township 45, Range 25, said Aitkin County, Minnesota; thence North 0 degrees 00 minutes 23 seconds West, assumed bearing, 2,020.36 feet along the west line of said Section 2 to the point of beginning of the line to be described; thence North 89 degrees 59 minutes 37 seconds East 32.50 feet to the west line of Lot 1 said Sugar Lake Addition and said line there terminating.

(d) The land borders Sugar Lake. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 6. PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; BECKER COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by public sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Becker County and is described as:

All that part of Government Lot 2, Section 12, Township 139 North, Range 40 West of the 5th P.M., bounded by the water's edge of Cotton Lake and the following described lines: Commencing at the North quarter corner of said Section 12, from which the northwest corner of said section bears North 90 degrees 00 minutes West; thence South 00 degrees 00 minutes East, 325.0 feet; thence North 90 degrees 00 minutes East, 72.0 feet to the point of beginning and the centerline of County State-Aid Highway No. 29; thence South 25 degrees 52 minutes East, 222.27 feet along the centerline of said highway; thence North 90 degrees 00 minutes West, 284.0 feet, more or less, to the water's edge of Cotton Lake and there terminating; and from the point of beginning, North 90 degrees 00 minutes West, 249.1 feet, more or less, to the water's edge of Cotton Lake and there terminating.

(d) The land borders Cotton Lake and is not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 7. PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; BECKER COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by public sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Becker County and is described as:

Lot 1, Pearl Hill, according to the certified plat on file and of record in the Office of the Register of Deeds in and for Becker County, Minnesota, and being a part of Government Lots 2 and 3, Section 13, Township 138 North, Range 42 West.

(d) The land borders Pearl Lake and is not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 8. PRIVATE SALE OF TAX-FORFEITED LAND; BELTRAMI COUNTY.

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Beltrami County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Beltrami County and is described as:

That part of the Southwest Quarter of the Southwest Quarter, Section 20, Township 150 North, Range 35 West, Beltrami County, Minnesota: Commencing at the southwest corner of the said Southwest Quarter of the Southwest Quarter, said corner is documented by a Certificate of Location of Government Corner filed in the Office of the Beltrami County Recorder on February 14, 2013, by Document No. A000529106; thence South 89 degrees 31 minutes 48 seconds East, bearing based on the Beltrami County Coordinate System, South Zone, along the south line of said Southwest Quarter of the Southwest Quarter, a distance of 1,318.01 feet; thence North 00 degrees 00 minutes 57 seconds West, along the east line of said Southwest Quarter of the Southwest Quarter, a distance of 929.92 feet to the point of beginning of land to be described and said point is designated by an iron pipe, 1/2 inch in diameter, stamped LS 15483; thence continue North 00 degrees 00 minutes 57 seconds West, along said east line, a distance of 151.79 feet to a point designated by an iron pipe, 1/2 inch in diameter, stamped LS 15483; thence North 81 degrees 33 minutes 00 seconds West a distance of 62.18 feet to a point designated by an iron pipe, 1/2 inch in diameter, stamped LS 15483; thence South 08 degrees 27 minutes 00 seconds West a distance of 150.14 feet to the intersection with a line bearing North 81 degrees 33 minutes 00 seconds West from the point of beginning and said intersection is designated by an iron pipe, 1/2 inch in diameter, stamped LS 15483; thence South 81 degrees 33 minutes 00 seconds East a distance of 84.53 feet to the point of beginning (0.25 acres) (part of parcel identification number 01.00227.00).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership to resolve an encroachment.

Sec. 9. PRIVATE SALE OF TAX-FORFEITED LAND; BELTRAMI COUNTY.

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Beltrami County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Beltrami County and is described as: the East 11.00 feet of the North 80.00 feet of the South 714.97 feet of the Northwest Quarter of the Southeast Quarter, Section 1, Township 146 North, Range 34 West, Beltrami County, Minnesota (0.02 acres) (part of parcel identification number 15.00030.00).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership to resolve an encroachment.

Sec. 10. PRIVATE SALE OF SURPLUS LAND BORDERING PUBLIC WATER; CROW WING COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be conveyed is located in Crow Wing County and is described as:

That part of Government Lot 2, Section 11, Township 44, Range 28, Crow Wing County, Minnesota, described as follows: Commencing at the southeast corner of said Government Lot 2; thence South 89 degrees 08 minutes 05 seconds West, assumed bearing along the south line of said Government Lot 2 a distance of 203.73 feet to the westerly right-of-way of State Highway No. 18; thence North 24 degrees 13 minutes 27 seconds West, along said westerly right-of-way 692.40 feet, to the point of beginning; thence continuing North 24 degrees 13 minutes 27 seconds West along said westerly right-of-way 70.31 feet; thence North 89 degrees 25 minutes 27 seconds West 90.00 feet; thence South 11 degrees 16 minutes 29 seconds East 87.00 feet; thence North 78 degrees 43 minutes 31 seconds East 103.84 feet to the point of beginning. Said parcel contains 0.17 acres of land, more or less, and is subject to existing easements of record.

(d) The tax parcel from which the land will be split borders Borden Lake, but the land to be sold does not border Borden Lake. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land were returned to private ownership.

Sec. 11. PRIVATE SALE OF TAX-FORFEITED LAND; ITASCA COUNTY.

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Itasca County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Itasca County and is described as: the Northwest Quarter of the Southeast Quarter, Section 25, Township 56, Range 25 (parcel identification number 02-025-4200).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 12. PUBLIC OR PRIVATE SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; KANDIYOHI COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by public or private sale the surplus land that is described in paragraph (c), subject to the state's reservation of a perpetual flowage easement.

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Kandiyohi County and is described as:

Lots 18 and 19 of First Addition to Walleye Beach, according to the plat thereof on file and of record in the Office of the Register of Deeds in and for Kandiyohi County, Minnesota.

(d) The land borders Florida Lake and is not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 13. PRIVATE SALE OF TAX-FORFEITED LANDS; KOOCHICHING COUNTY.

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or any other law to the contrary, Koochiching County may sell by private sale the tax-forfeited lands described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Koochiching County and is described as:

That part of Lot 53, Plat of Riverview Acres, according to the recorded plat thereof on file in the Office of the County Recorder, Koochiching County, Minnesota, lying northwesterly of the following described line: Commencing at the northwest corner of said Lot 53; thence South 89 degrees 59 minutes 47 seconds East 31.00 feet along the north line of said Lot 53 to the point of beginning of the line to be described; thence South 67 degrees 10 minutes 42 seconds West 33.51 feet to the west line of said Lot 53 and there terminating. Said parcel contains 200 square feet, more or less.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 14. **PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

Lot 6, Block 12, Chambers First Division of Duluth (parcel number 010-0460-00660).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership to resolve a structure encroachment.

Sec. 15. **PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

The West 3 feet of the North 20 feet of Lot 87, Block 75, Duluth Proper Third Division (parcel number 010-1310-01945).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership to resolve a structure encroachment.

Sec. 16. **PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

Lot 90, except the North 100 feet and except the East Half of the South 50 feet of Lot 90 and except the West 6 feet of the South 50 feet of the West Half of Lot 90, Block 75, Duluth Proper Third Division (parcel number 010-1310-02125).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership to resolve a structure encroachment.

Sec. 17. **PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

Block 11, Endion Park Division of Duluth (parcel number 010-1490-00860).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership to resolve a structure encroachment.

Sec. 18. **PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited lands described in paragraph (c).

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in St. Louis County and are described as:

(1) Lots 52, 54, and 56, Fond Du Lac Fourth Street Duluth (parcel number 010-1620-01260);

(2) Lots 58 and 60, Fond Du Lac Fourth Street Duluth (parcel number 010-1620-01290);

(3) Lots 21 thru 39, odd numbers, and Lot 41 except the North 52 feet, and except the North 52 feet of Lots 43, 45, and 47, and Lots 49 and 51 except that part lying North of a line drawn from a point on the westerly line of Lot 49 and 52 feet South of the northwest corner to a point on the easterly line of Lot 51 38.1 feet South of the northeast corner, and all of Lots 53, 55, 57, and 59, and except that part of Lots 21 thru 39, odd numbered lots, lying 20 feet northerly and 20 feet southerly of a line beginning at a point on the west line of Lot 21 13.56 feet South of the northwest corner of Lot 21; thence to a point 54.83 feet South of the northeast corner along the east line of Lot 39, and except the southerly 46 feet of the northerly 98 feet of Lots 41, 43, and 45, and except that part of Lots 47 thru 57, odd numbered lots, described as beginning at a point on the west line of Lot 47 52 feet South of the northwest corner of Lot 47; thence easterly 40 feet to a point on the east line of Lot 47 52 feet South of the northeast corner of Lot 47; thence northeasterly 81.22 feet to a point on the east line of Lot 51 38.1 feet South of the northeast corner of Lot 51; thence North 17.3 feet to a point on the east line of Lot 51 20.8 feet South of the northeast corner of Lot 51; thence northeasterly 82.68 feet to the northwest corner of Lot 57; thence East 40 feet to the northeast corner of Lot 57; thence South 64.1 feet along the east line of Lot 57; thence southwesterly 242.22 feet to a point on the west line of Lot 47 98 feet South of the northwest corner of Lot 47; thence North 46

feet along the west line of Lot 47 to the point of beginning, and except Lot 59, and except that part of Lots 25, 27, 29, 31, 33, 35, 37, and 39 lying southerly of a line run parallel with and distant 20 feet southerly of the following described line: beginning at a point on the west line of Lot 21, distant 13.56 feet South of the northwest corner thereof; thence southeasterly to a point on the east line of said Lot 39, distant 54.83 feet South of the northeast corner thereof and there terminating, Fond Du Lac Fourth Street Duluth (parcel number 010-1620-00290); and

(4) that part of Lots 21 thru 39, odd numbered lots, lying 20 feet northerly and 20 feet southerly of a line beginning at a point on the west line of Lot 21 13.56 feet South of the northwest corner of Lot 21; thence to a point 54.83 feet South of the northeast corner along the east line of Lot 39 and the southerly 46 feet of the northerly 98 feet of Lots 41, 43, and 45, and that part of Lots 47 thru 57, odd numbered lots, described as beginning at a point on the west line of Lot 47 52 feet South of the northwest corner of Lot 47; thence easterly 40 feet to a point on the east line of Lot 47 52 feet South of the northeast corner of Lot 47; thence northeasterly 81.22 feet to a point on the east line of Lot 51 38.1 feet South of the northeast corner of Lot 51; thence North 17.3 feet to a point on the east line of Lot 51 20.8 feet South of the northeast corner of Lot 51; thence northeasterly 82.68 feet to the northwest corner of Lot 57; thence East 40 feet to the northeast corner of Lot 57; thence South 64.1 feet along the east line of Lot 57; thence southwesterly 242.22 feet to a point on the west line of Lot 47 98 feet South of the northwest corner of Lot 47; thence North 46 feet along the west line of Lot 47 to the point of beginning, and Lot 59, Fond Du Lac Fourth Street Duluth (parcel number 010-1620-00291).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership for the Mission Creek Cemetery.

Sec. 19. PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited lands described in paragraph (c).

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in St. Louis County and are described as:

(1) Lot 28, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01140);

(2) Lot 30, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01150);

(3) Lot 32, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01160);

(4) Lot 34, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01170);

(5) Lot 36, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01180);

(6) Lot 38, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01190);

(7) Lots 40 thru 48, even numbered lots, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01200); and

(8) Lot 50, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01250).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership for the Mission Creek Cemetery.

Sec. 20. PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

The South Half of Section 31, Township 50, Range 20, Town of Fine Lakes (part of parcel number 355-0010-04960).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership to resolve a structure encroachment.

Sec. 21. PRIVATE SALE OF SURPLUS LAND BORDERING PUBLIC WATER; SHERBURNE COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land bordering public water that is described in paragraph (c) for less than market value.

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be conveyed is located in Sherburne County and is described as:

That part of Government Lot 6, Section 31, Township 34 North, Range 27 West, Sherburne County, Minnesota, described as follows: Commencing at the most northerly corner of Outlot A, Eagle Lake Estates, according to the plat thereof on file and of record in the Office of the County Recorder in and for Sherburne County, Minnesota, being an existing iron monument with an aluminum cap stamped "Judicial Landmark 16095" (JLM); thence southwesterly 146.20 feet along the easterly line of said Outlot A on a curve concave to the southeast, having a central angle of 14 degrees 41 minutes 15 seconds, radius of 570.32 feet, and a chord bearing of South 29 degrees 12 minutes 20 seconds West, to a JLM; thence South 21 degrees 51 minutes 43 seconds West, along said easterly line, 196.53 feet to the point of beginning; thence continuing South 21 degrees 51 minutes 43 seconds West, along said easterly line, 35.00 feet to a JLM; thence South 89 degrees 38 minutes 17 seconds East, along the northerly line of said Outlot A, 87 feet, more or less, to the water's edge of Eagle Lake; thence northerly along said water's edge, 45 feet, more or less, to a line bearing North 80 degrees 55 minutes 20 seconds East from the point of beginning; thence South 80 degrees 55 minutes 20 seconds West 70 feet, more or less, to the point of beginning.

(d) The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land were returned to private ownership.

Sec. 22. LEASE; TAX-FORFEITED LAND; ST. LOUIS COUNTY.

(a) Notwithstanding Minnesota Statutes, section 282.04, or other law to the contrary, St. Louis County may lease the tax-forfeited lands described in paragraph (b) for consideration of more than \$50,000 per year or for a period exceeding 25 years to support new capital investment to support business expansion in the port.

(b) The lands to be leased are located in St. Louis County, city of Duluth, Rearrangement of Auditor's Plat of West Duluth Outlots, and are described as:

(1) that part of Out Lot Q described as follows: Commencing at the intersection of the extended center line of 50th Avenue West the United States government dock line as now established running thence North along said extended center line of 50th Avenue West a distance of 1,261 feet; thence southerly parallel with the southwesterly line of Lesure Street to intersection with the said dock line; thence westerly along said dock line to place of beginning (parcel number: 010-0130-00310) except public waters; and

(2) that part of Out Lots Q and R as follows: Commencing at the intersection of extended center line of 50th Avenue West and the United States government dock line running thence North along said extended center line of 50th Avenue West 1,261 feet to the place of beginning; thence southerly parallel with the southwest line of Lesure Street to intersection with said dock line; thence easterly along said dock line to a point 550 feet southwesterly from said southwesterly line of Lesure Street measured at right angles thereto; thence northwesterly parallel with said southwestern line of Lesure Street to said extended center line of said 50th Avenue West thence southerly along center line to place of beginning, excluding the railroad right-of-way (parcel number: 010-0130-00320) except public waters.

Sec. 23. EXCHANGE OF STATE LAND; ST. LOUIS COUNTY.

Subdivision 1. Authority. (a) Notwithstanding Minnesota Statutes, section 92.461, and the riparian restrictions in Minnesota Statutes, section 94.342, subdivision 3, the commissioner of natural resources may, with the approval of the Land Exchange Board, as required under the Minnesota Constitution, article XI, section 10, and according to the remaining provisions of Minnesota Statutes, sections 94.342 to 94.347, exchange the land described in paragraph (c).

(b) The conveyance must be in a form approved by the commissioner. The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The state lands that may be conveyed are located in St. Louis County and are described as:

(1) Section 6, Township 53 North, Range 17 West;

(2) the Northeast Quarter of Section 29, Township 54 North, Range 17 West;

(3) the South Half of Section 30, Township 54 North, Range 17 West;

(4) the Northwest Quarter of Section 31, Township 54 North, Range 17 West; and

(5) Section 36, Township 54 North, Range 18 West.

(d) The state land administered by the commissioner of natural resources borders Jenkins Creek in portions of Sections 30 and 31 of Township 54 North, Range 17 West and includes approximately 210 feet of water frontage on Nichols Lake on Lot 7 of Section 6, Township 53 North, Range 17 West. The private land to be exchanged is forest land. While the exchange proposal does not provide at least equal opportunity for access to waters by the public, the land to be acquired by the commissioner in the exchange will increase the total riparian frontage of future state-administered lands and improve access to adjacent state forest lands.

Subd. 2. **Exchange for greater than substantially equal value.** (a) Notwithstanding Minnesota Statutes, section 94.343, subdivisions 3 and 5, or any other law to the contrary, the commissioner shall require the exchange partner to exchange lands or a combination of lands and money valued in the amount of at least 125 percent of the state land referenced in subdivision 1, paragraph (c), in determining whether the proposal is in the best interests of the school trust.

(b) Any money received under this subdivision shall be deposited in the permanent school fund pursuant to Minnesota Statutes, section 127A.32.

Sec. 24. PRIVATE SALE OF LAND; ST. LOUIS COUNTY.

(a) Notwithstanding the public sale and competitive bidding provisions of Minnesota Statutes, chapter 373, or other law to the contrary, St. Louis County may sell by private sale the fee-owned lands described in paragraph (b).

(b) The lands to be sold are located in St. Louis County and are described as:

(1) the Southeast Quarter of the Northeast Quarter of Section 26, Township 54 North, Range 18 West of the 4th Principal Meridian; and

(2) the Northeast Quarter of the Southeast Quarter of Section 25, Township 54 North, Range 18 West of the 4th Principal Meridian.

(c) St. Louis County has determined that county interests are best served by sale of these parcels.

Sec. 25. LAND TRANSFER; CITY OF DULUTH.

Subdivision 1. **Acquisition.** (a) Notwithstanding the requirements or limitations in Minnesota Statutes, section 161.20, or any other law to the contrary, the commissioner of transportation may acquire, by deed or other means, the land described in paragraph (c) from the city of Duluth for the fair market value as determined by an appraisal of the property.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be acquired is described as:

(1) the North 52 feet of Lots 41, 43, 45, and 47 on Glass Street (formerly Fourth Street) in Fond du Lac (part of parcel number 010-1620-00285); and

(2) those portions of Lots 49 and 51 on said Glass Street lying North of a straight line extending from a point on the west line of said Lot 49, distant 52 feet South measured along said west line from the northwest corner thereof, to a point on the east line of said Lot 51, distant 38.1 feet South measured along the east line of said Lot 51 from the northeast corner thereof, all in Fond du Lac (part of parcel number 010-1620-00285).

(d) The interests of the state and the city of Duluth would best be served if the land was purchased for fair market value by the commissioner of transportation in satisfaction of a State of Minnesota General Obligation Bond Financed Declaration under Minnesota Statutes, section 16A.695, and returned to the Fond du Lac Band of the Lake Superior Chippewa, also known as the Fond du Lac Band of the Minnesota Chippewa Tribe, for the Mission Creek Cemetery.

Subd. 2. **Reconveyance.** (a) Upon acquiring the land described in subdivision 1, the commissioner of transportation must convey the land according to this subdivision. Notwithstanding Minnesota Statutes, section 161.44, or any other law to the contrary, the commissioner of transportation must convey the land described in subdivision 1 for no consideration to the Fond du Lac Band of the Lake Superior Chippewa, also known as Fond du Lac Band of the Minnesota Chippewa Tribe, for the public purpose of the Mission Creek Cemetery.

(b) The conveyance must be in accordance with the state standard conveyance form and may incorporate the use restrictions contained in Term 1, paragraphs (a) and (b), of the current vesting deed.

Sec. 26. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 7

FARMED CERVIDAE

Section 1. Minnesota Statutes 2022, section 35.155, subdivision 1, is amended to read:

Subdivision 1. **Running at large prohibited.** (a) An owner may not allow farmed Cervidae to run at large. The owner must make all reasonable efforts to return escaped farmed Cervidae to their enclosures as soon as possible. The owner must immediately notify the commissioner of natural resources of the escape of farmed Cervidae if the farmed Cervidae are not returned or captured by the owner within 24 hours of their escape.

(b) An owner is liable for expenses of another person in capturing, caring for, and returning farmed Cervidae that have left their enclosures if the person capturing the farmed Cervidae contacts the owner as soon as possible.

(c) If an owner is unwilling or unable to capture escaped farmed Cervidae, the commissioner of natural resources may destroy the escaped farmed Cervidae. The commissioner of natural resources

must allow the owner to attempt to capture the escaped farmed Cervidae prior to destroying the farmed Cervidae. Farmed Cervidae that are not captured by 24 hours after escape may be destroyed.

(d) A hunter licensed by the commissioner of natural resources under chapter 97A may kill and possess escaped farmed Cervidae in a lawful manner and is not liable to the owner for the loss of the animal. If the animal has been outside of its enclosure less than 72 hours following notification of the commissioner of natural resources of its escape, the farmed Cervidae owner retains ownership of the animal. A licensed hunter who harvests escaped farmed Cervidae under this paragraph must notify the commissioner of natural resources within 24 hours.

(e) Escaped farmed Cervidae killed by a hunter or destroyed by the commissioner of natural resources must be tested for chronic wasting disease. The hunter must provide the animal to the commissioner of natural resources for testing and the commissioner must ensure the animal is tested.

(f) The possessor of the animal is responsible for proper disposal, as determined by the board, of farmed Cervidae that are killed or destroyed under this subdivision and test positive for chronic wasting disease.

(g) An owner is liable for any additional costs associated with escaped farmed Cervidae that are infected with chronic wasting disease. This paragraph may be enforced by the attorney general on behalf of any state agency affected.

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

Sec. 2. Minnesota Statutes 2022, section 35.155, subdivision 4, is amended to read:

Subd. 4. **Fencing.** Farmed Cervidae must be confined in a manner designed to prevent escape. All perimeter fences for farmed Cervidae must be at least 96 inches in height and be constructed and maintained in a way that prevents the escape of farmed Cervidae or entry into the premises by free-roaming Cervidae, and physical contact between farmed Cervidae and free-roaming Cervidae. The Board of Animal Health or commissioner of natural resources may determine whether the construction and maintenance of fencing is adequate to prevent physical contact or escape under this subdivision and may compel corrective action when fencing is determined to be inadequate. ~~After July 1, 2019, All new fencing installed and all fencing used to repair deficiencies must be high tensile. By December 1, 2019, All entry areas for farmed Cervidae enclosure areas must have two redundant gates, which must be maintained to prevent the escape of animals through an open gate. If a fence deficiency allows entry or exit by farmed or wild Cervidae, the owner must immediately repair the deficiency. All other deficiencies must be repaired within a reasonable time, as determined by the Board of Animal Health, not to exceed 45~~ 14 days. If a fence deficiency is detected during an inspection, the facility must be reinspected at least once in the subsequent three months. The farmed Cervidae owner must pay a reinspection fee equal to one-half the applicable annual inspection fee under subdivision 7a for each reinspection related to a fence violation. If the facility experiences more than one escape incident in any six-month period or fails to correct a deficiency found during an inspection, the board may revoke the facility's registration and order the owner to remove or destroy the animals as directed by the board. If the board revokes a facility's registration, the commissioner of natural resources may seize and destroy animals at the facility.

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

Sec. 3. Minnesota Statutes 2022, section 35.155, subdivision 10, is amended to read:

Subd. 10. **Mandatory registration.** (a) A person may not possess live Cervidae in Minnesota unless the person is registered with the Board of Animal Health and meets all the requirements for farmed Cervidae under this section. Cervidae possessed in violation of this subdivision may be seized and destroyed by the commissioner of natural resources.

(b) A person whose registration is revoked by the board is ineligible for future registration under this section unless the board determines that the person has undertaken measures that make future escapes extremely unlikely.

(c) The board must not allow new registrations under this section for possessing white-tailed deer. This paragraph does not prohibit a person holding a valid registration under this subdivision from selling or transferring the person's registration to an immediate family member. A valid registration may be sold or transferred only once under this paragraph. Before the board approves a sale or transfer under this paragraph, the board must verify that the registration is in good standing and the eligible family member must pay a onetime transfer fee of \$500 to the board.

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

Sec. 4. Minnesota Statutes 2022, section 35.155, subdivision 11, is amended to read:

Subd. 11. **Mandatory surveillance for chronic wasting disease; depopulation.** (a) An inventory for each farmed Cervidae herd must be verified by an accredited veterinarian and filed with the Board of Animal Health every 12 months.

(b) Movement of farmed Cervidae from any premises to another location must be reported to the Board of Animal Health within 14 days of the movement on forms approved by the Board of Animal Health. A person must not move farmed white-tailed deer from a herd that tests positive for chronic wasting disease from any premises to another location.

(c) All animals from farmed Cervidae herds that are over ~~12~~ six months of age that die or are slaughtered must be tested for chronic wasting disease.

(d) The owner of a premises where chronic wasting disease is detected must:

(1) allow and cooperate with inspections of the premises as determined by the Board of Animal Health and Department of Natural Resources conservation officers and wildlife managers;

~~(+)~~ (2) depopulate the premises of Cervidae after the federal indemnification process has been completed or, if an indemnification application is not submitted, within a reasonable time determined by the board in consultation with the commissioner of natural resources 30 days;

~~(2)~~ (3) maintain the fencing required under subdivision 4 on the premises for five ten years after the date of detection; and

~~(3)~~ (4) post the fencing on the premises with biohazard signs as directed by the board;

(5) not raise farmed Cervidae on the premises for at least ten years;

(6) before signing an agreement to sell or transfer the property, disclose in writing to the buyer or transferee the date of depopulation and the requirements incumbent upon the premises and the buyer or transferee under this paragraph; and

(7) record with the county recorder or registrar of titles, as appropriate, in the county where the premises is located a notice, in the form required by the board, that meets the recording requirements of sections 507.093 and 507.24 and includes the nearest address and the legal description of the premises, the date of detection, the date of depopulation, the landowner requirements under this paragraph, and any other information required by the board. The legal description must be the legal description of record with the county recorder or registrar of titles and must not otherwise be the real estate tax statement legal description of the premises. The notice expires and has no effect ten years after the date of detection stated in the notice. The registrar of titles must omit an expired notice from future certificates of title.

(e) An owner of farmed Cervidae that test positive for chronic wasting disease is responsible for proper disposal of the animals, as determined by the board.

Sec. 5. Minnesota Statutes 2022, section 35.155, is amended by adding a subdivision to read:

Subd. 11a. **Liability.** (a) A herd owner is liable in a civil action to a person injured by the owner's sale or unlawful disposal of farmed Cervidae if the herd owner knew or reasonably should have known that the farmed Cervidae were infected with or exposed to chronic wasting disease. Action may be brought in a county where the farmed Cervidae are sold, delivered, or unlawfully disposed.

(b) A herd owner is liable to the state for costs associated with the owner's unlawful disposal of farmed Cervidae infected with or exposed to chronic wasting disease. This paragraph may be enforced by the attorney general on behalf of any state agency affected.

Sec. 6. Minnesota Statutes 2022, section 35.155, subdivision 12, is amended to read:

Subd. 12. **Importation.** (a) A person must not import live Cervidae into the state from a ~~herd that is infected or exposed to chronic wasting disease or from a known chronic wasting disease endemic area, as determined by the board. A person may import Cervidae into the state only from a herd that is not in a known chronic wasting disease endemic area, as determined by the board, and the herd has been subject to a state or provincial approved chronic wasting disease monitoring program for at least three years~~ state or province where chronic wasting disease has been detected in the farmed or wild cervid population in the last five years unless the animal has tested not detected for chronic wasting disease with a validated live-animal test.

(b) Live Cervidae or Cervidae semen must originate from a herd that has been subject to a state-, federal-, or provincial-approved chronic wasting disease herd certification program and that has reached a status equivalent to the highest certification.

(c) Cervidae imported in violation of this section may be seized and destroyed by the commissioner of natural resources.

(d) This subdivision does not apply to the interstate transfer of animals between two facilities accredited by the Association of Zoos and Aquariums.

(e) Notwithstanding this subdivision, the commissioner of natural resources may issue a permit allowing the importation of orphaned wild cervid species that are not susceptible to chronic wasting disease from another state to an Association of Zoos and Aquariums accredited institution in Minnesota following a joint risk-based assessment conducted by the commissioner and the institution.

Sec. 7. Minnesota Statutes 2022, section 35.155, is amended by adding a subdivision to read:

Subd. 15. **Cooperation with Board of Animal Health.** (a) The commissioner of natural resources may contract with the Board of Animal Health to administer some or all of sections 35.153 to 35.156 for farmed white-tailed deer.

(b) The commissioner of natural resources must enter into an interagency agreement which establishes roles and responsibilities necessary to protect the health of Cervidae in Minnesota consistent with state regulations.

Sec. 8. Minnesota Statutes 2022, section 35.156, subdivision 2, is amended to read:

Subd. 2. **Federal fund account.** (a) Money granted to the state by the federal government for purposes of chronic wasting disease must be credited to a separate account in the federal fund and is annually appropriated to the commissioner of agriculture for the purposes for which the federal grant was made according to section 17.03.

(b) By February 15 each year, the commissioner of agriculture, in consultation with the commissioner of natural resources and Board of Animal Health, must submit a report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over agriculture and the environment and natural resources on the receipt and expenditure of any federal money received for purposes of chronic wasting disease.

Sec. 9. Minnesota Statutes 2022, section 35.156, is amended by adding a subdivision to read:

Subd. 3. **Consultation required.** The Board of Animal Health and the commissioner of natural resources must consult the Minnesota Center for Prion Research and Outreach at the University of Minnesota and incorporate peer-reviewed scientific information when administering and enforcing section 35.155 and associated rules pertaining to chronic wasting disease and farmed Cervidae.

Sec. 10. Minnesota Statutes 2022, section 35.156, is amended by adding a subdivision to read:

Subd. 4. **Notice required.** The Board of Animal Health must promptly notify affected local units of government and Tribal governments when an animal in a farmed Cervidae herd tests positive for chronic wasting disease.

Sec. 11. Minnesota Statutes 2022, section 35.156, is amended by adding a subdivision to read:

Subd. 5. **Live-animal testing required.** (a) Once the United States Department of Agriculture has determined that a noninvasive live-animal test capable of accurately detecting chronic wasting disease in white-tailed deer is available, the Board of Animal Health must have each farmed white-tailed deer possessed by a person registered under section 35.155 tested for chronic wasting disease using a noninvasive live-animal test offered by a public or private diagnostic laboratory. A validated live-animal test is required when moving farmed white-tailed deer six months old and

over from any premises within the state within 12 weeks of movement. The Board of Animal Health may institute additional live-animal chronic wasting disease testing protocols. Live-animal testing results must be submitted to both the commissioner of natural resources and the Board of Animal Health in the form required by both agencies.

(b) If a farmed white-tailed deer tests positive using a noninvasive live-animal test, the owner must have the animal destroyed and tested for chronic wasting disease using a postmortem test approved by the Board of Animal Health.

(c) If a farmed white-tailed deer tests positive for chronic wasting disease under paragraph (b), the owner must depopulate the premises of farmed Cervidae as required under section 35.155, subdivision 11.

Sec. 12. **TRANSFER OF DUTIES; FARMED WHITE-TAILED DEER.**

(a) Responsibility for administering and enforcing the statutes and rules listed in clauses (1) and (2) for farmed white-tailed deer are, except as provided in paragraph (c), transferred pursuant to Minnesota Statutes, section 15.039, from the Board of Animal Health to the commissioner of natural resources:

(1) Minnesota Statutes, sections 35.153 to 35.156; and

(2) Minnesota Rules, parts 1721.0370 to 1721.0420.

(b) The Board of Animal Health retains responsibility for administering and enforcing the statutes and rules listed in paragraph (a), clauses (1) and (2), for all other farmed Cervidae.

(c) Notwithstanding Minnesota Statutes, section 15.039, subdivision 7, the transfer of personnel will not take place.

Sec. 13. **REVISOR INSTRUCTION.**

The revisor of statutes must recodify the relevant sections in Minnesota Statutes, chapter 35, and Minnesota Rules, chapter 1721, as necessary to conform with section 12. The revisor must also change the responsible agency, remove obsolete language, and make necessary cross-reference changes consistent with section 12 and the renumbering.

Sec. 14. **REPEALER.**

Minnesota Statutes 2022, section 35.155, subdivision 14, is repealed.

ARTICLE 8

ENVIRONMENTAL JUSTICE

Section 1. Minnesota Statutes 2022, section 16A.151, subdivision 2, as amended by Laws 2023, chapter 25, section 3, is amended to read:

Subd. 2. **Exceptions.** (a) If a state official litigates or settles a matter on behalf of specific injured persons or entities, this section does not prohibit distribution of money to the specific injured persons

or entities on whose behalf the litigation or settlement efforts were initiated. If money recovered on behalf of injured persons or entities cannot reasonably be distributed to those persons or entities because they cannot readily be located or identified or because the cost of distributing the money would outweigh the benefit to the persons or entities, the money must be paid into the general fund.

(b) Money recovered on behalf of a fund in the state treasury other than the general fund may be deposited in that fund.

(c) This section does not prohibit a state official from distributing money to a person or entity other than the state in litigation or potential litigation in which the state is a defendant or potential defendant.

(d) State agencies may accept funds as directed by a federal court for any restitution or monetary penalty under United States Code, title 18, section 3663(a)(3), or United States Code, title 18, section 3663A(a)(3). Funds received must be deposited in a special revenue account and are appropriated to the commissioner of the agency for the purpose as directed by the federal court.

(e) Tobacco settlement revenues as defined in section 16A.98, subdivision 1, paragraph (t), may be deposited as provided in section 16A.98, subdivision 12.

(f) Any money received by the state resulting from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state, or a court order in litigation brought by the attorney general of the state, on behalf of the state or a state agency, related to alleged violations of consumer fraud laws in the marketing, sale, or distribution of opioids in this state or other alleged illegal actions that contributed to the excessive use of opioids, must be deposited in the settlement account established in the opiate epidemic response fund under section 256.043, subdivision 1. This paragraph does not apply to attorney fees and costs awarded to the state or the Attorney General's Office, to contract attorneys hired by the state or Attorney General's Office, or to other state agency attorneys.

(g) Notwithstanding paragraph (f), if money is received from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state or a court order in litigation brought by the attorney general of the state on behalf of the state or a state agency against a consulting firm working for an opioid manufacturer or opioid wholesale drug distributor, the commissioner shall deposit any money received into the settlement account established within the opiate epidemic response fund under section 256.042, subdivision 1. Notwithstanding section 256.043, subdivision 3a, paragraph (a), any amount deposited into the settlement account in accordance with this paragraph shall be appropriated to the commissioner of human services to award as grants as specified by the opiate epidemic response advisory council in accordance with section 256.043, subdivision 3a, paragraph (e).

(h) If the Minnesota Pollution Control Agency, through litigation or settlement of a matter that could have resulted in litigation, recovers \$250,000 or more in a civil penalty from violations of a permit issued by the agency, then 40 percent of the money recovered must be distributed to the community health board, as defined in section 145A.02, where the permitted facility is located. Within 30 days of a final court order in the litigation or the effective date of the settlement agreement, the commissioner of the Minnesota Pollution Control Agency must notify the applicable community health board that the litigation has concluded or a settlement has been reached. The commissioner

must collect the money and transfer it to the applicable community health board. The community health board must meet directly with the residents potentially affected by the pollution that was the subject of the litigation or settlement to identify the residents' concerns and incorporate those concerns into a project that benefits the residents. The project must be implemented by the community health board and funded as directed in this paragraph. The community health board may recover the reasonable costs it incurs to administer this paragraph from the funds transferred to the board under this paragraph. This paragraph directs the transfer and use of money only and does not create a right of intervention in the litigation or settlement of the enforcement action for any person or entity. A supplemental environmental project funded as part of a settlement agreement is not part of a civil penalty and must not be included in calculating the amount of funds required to be distributed to a community health board under this paragraph. For the purposes of this paragraph, "supplemental environmental project" means a project that benefits the environment or public health that a regulated facility agrees to undertake, though not legally required to do so, as part of a settlement with respect to an enforcement action taken by the Minnesota Pollution Control Agency to resolve noncompliance.

(i) A community health board receiving a transfer of funds under paragraph (h) must, no later than one year after receiving the funds, submit a report to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over environment policy and natural resources that describes:

(1) the process of community engagement employed to solicit community input regarding the use of the funds;

(2) the purposes and activities for which the funds were used; and

(3) an account of expenditures.

(j) The commissioner of the Minnesota Pollution Control Agency must submit a report in September each even-numbered year, beginning in 2024, to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over environmental policy and natural resources that includes:

(1) the amount transferred under paragraph (h) to each community health board during the previous two years; and

(2) any agency services provided to the community health board or community residents during the duration of the project funded by the transfer, and the cost of those agency services, for consideration by the legislature for future appropriations that address reimbursement of the amount of the transfers and the cost of services provided by the agency.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all litigation actions or settlements from which the Minnesota Pollution Control Agency recovers \$250,000 or more on or after that date.

Sec. 2. [116.062] AIR TOXICS EMISSIONS REPORTING.

(a) This section applies to facilities that are subject to paragraph (b) and are located in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington.

(b) The commissioner must require owners and operators of a facility issued an air quality permit by the agency, except a facility issued an Option B registration permit under Minnesota Rules, part 7007.1120, to annually report the facility's air toxics emissions to the agency, including a facility not required as a condition of its air quality permit to keep records of air toxics emissions. The commissioner must determine the method to be used by a facility to directly measure or estimate air toxics emissions. The commissioner must amend permits and complete rulemaking, and may enter into enforceable agreements with facility owners and operators, in order to make the reporting requirements under this section enforceable.

(c) For the purposes of this section, "air toxics" means chemical compounds or compound classes that are emitted into the air by a permitted facility and that are:

(1) hazardous air pollutants listed under the federal Clean Air Act, United States Code, title 42, section 7412, as amended;

(2) chemicals reported as released into the atmosphere by a facility located in the state for the Toxic Release Inventory under the federal Emergency Planning and Community Right-to-Know Act, United States Code, title 42, section 11023, as amended;

(3) chemicals for which the Department of Health has developed health-based values or risk assessment advice;

(4) chemicals for which the risk to human health has been assessed by either the federal Environmental Protection Agency's Integrated Risk Information System; or

(5) chemicals reported by facilities in the agency's most recent triennial emissions inventory.

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

Sec. 3. **[116.065] CUMULATIVE IMPACTS ANALYSIS; PERMIT DECISIONS IN ENVIRONMENTAL JUSTICE AREAS.**

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

(b) "Commissioner" means the commissioner of the Minnesota Pollution Control Agency.

(c) "Cumulative impacts" means the impacts of aggregated levels of past and current air, water, and land pollution in a defined geographic area to which current residents are exposed.

(d) "Environmental justice" means:

(1) the fair treatment and meaningful involvement of all people, regardless of race, color, national origin, or income, with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies; and

(2) in all decisions that have the potential to affect the environment of an environmental justice area or the public health of its residents, due consideration is given to the history of the area's and its residents' cumulative exposure to pollutants and to any current socioeconomic conditions that could increase harm to those residents from additional exposure to pollutants.

(e) "Environmental justice area" means one or more census tracts in Minnesota:

(1) in which, based on the most recent decennial census data published by the United States Census Bureau:

(i) 40 percent or more of the population is nonwhite;

(ii) 35 percent or more of the households have an income at or below 200 percent of the federal poverty level; or

(iii) 40 percent or more of the population over the age of five has limited English proficiency;
or

(2) located within Indian Country.

(f) "Environmental stressors" means factors that may make residents of an environmental justice area susceptible to harm from exposure to pollutants. Environmental stressors include:

(1) environmental effects on health from exposure to past and current pollutants in the environmental justice area, including any biomonitoring data from residents reported through the Centers for Disease Control, the Department of Health, or peer-reviewed scientific or medical articles; and

(2) social and environmental factors, including but not limited to poverty, substandard housing, food insecurity, elevated rates of disease, and poor access to health insurance and medical care.

(g) "Indian Country" has the meaning given in United States Code, title 18, section 1151.

(h) "Permit" means a major source air permit, as defined in Minnesota Rules, part 7007.0200, or a state air permit required under Minnesota Rules, part 7007.0250, subpart 5 or 6. Permit includes a permit required for new construction or facility expansion or the reissuance of an existing permit.

Subd. 2. **Applicability.** (a) This section applies to an application for a permit by a facility that:

(1) is located in or within one mile of a census tract that is part of an environmental justice area;
and

(2) is located:

(i) in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington; or

(ii) in a city of the first class.

(b) The commissioner must enter into consultation, consistent with section 10.65, regarding the application of this section to permit applications located in Indian Country. After consultation, the Tribal government with jurisdiction over the applicable environmental justice area may elect that the facility seeking the permit action be subject to this section and must so notify the commissioner in writing.

Subd. 3. Cumulative impacts analysis; determination of need. (a) The commissioner is responsible for determining:

(1) whether a proposed permit action may substantially impact the environment or health of the residents of an environmental justice area; and

(2) whether a cumulative impacts analysis is required.

(b) A permit application must include:

(1) the applicant's determination of whether the permit action sought is likely to impact the environment or the health of residents of an environmental justice area;

(2) the data used by the applicant to make the determination; and

(3) information and data necessary for the commissioner to determine whether the potential impact of issuing the permit exceeds any benchmarks adopted in rules required under subdivision 6 for requiring a cumulative analysis.

(c) In making a determination whether a cumulative impacts analysis is required, the commissioner must:

(1) review the permit application and the applicant's assessment of the need to conduct a cumulative analysis;

(2) assess whether the proposed permit exceeds any of the benchmarks for conducting a cumulative impacts analysis established in rules adopted under subdivision 6; and

(3) review any other information the commissioner deems relevant, including material evidence accompanying a petition submitted under paragraph (e).

(d) The commissioner must require an applicant to conduct a cumulative impacts analysis if:

(1) the potential impacts of the permit issuance exceed any of the benchmarks for conducting a cumulative impacts analysis established in rules adopted under subdivision 6; or

(2) the commissioner determines that issuance of the permit may substantially impact the environment or health of the residents of an environmental justice area.

(e) The commissioner may require the permit applicant or permit holder to conduct a cumulative impacts analysis if:

(1) the facility is below all the benchmarks established for conducting a cumulative impacts analysis and the commissioner determines that a cumulative impacts analysis is necessary and supported by material evidence; or

(2) a petition requesting that a cumulative analysis be conducted is signed by at least 100 individuals who reside or own property in the environmental justice area impacted by the facility and is supported by material evidence that demonstrates a potential adverse cumulative impact to the impacted environmental justice area if the permit is issued.

(f) The commissioner must prepare a written document containing the reasons for the commissioner's decision regarding the need for a cumulative impacts analysis. The document must describe the information that was considered in making the decision and how the information was weighed. The commissioner must post the document on the agency website within 30 days of the determination.

Subd. 4. **Public meeting requirements.** (a) A permit applicant or permit holder required to conduct a cumulative impacts analysis under this section must hold at least two public meetings in the environmental justice area impacted by the facility before the commissioner issues or denies a permit. The first public meeting must be held before conducting a cumulative impacts analysis, and the second must be held after conducting the analysis.

(b) Before any public meeting held under this subdivision, the permit applicant or permit holder must:

(1) publish notice containing the date, time, and location of the public meeting and a brief description of the permit or project in a newspaper of general circulation in the environmental justice area at least 30 days before the meetings;

(2) post physical signage in the environmental justice area impacted, as directed by the commissioner; and

(3) provide the commissioner with notice of the public meeting and a copy of the cumulative impacts analysis at least 45 days before the second public meeting.

(c) The commissioner must post the notice and cumulative impacts analysis on the agency website at least 30 days before the second public meeting.

(d) At any public meeting held under this subdivision, the permit applicant or permit holder must:

(1) provide an opportunity for robust public and Tribal engagement; and

(2) accept written and oral comments, as directed by the commissioner, from any interested party.

(e) After a public meeting held under this subdivision, the permit applicant or permit holder must provide an electronic copy of all written comments and a transcript of all oral comments to the agency within 30 days of the meeting.

(f) If the permit applicant or permit holder is applying for more than one permit that may affect the same environmental justice area, the permit applicant or permit holder may request that the commissioner consolidate the public meeting requirements under this subdivision, requiring the facility to hold two public meetings that address all of the permits sought. The commissioner may approve or deny the request.

(g) The commissioner may incorporate conditions in a permit for a facility located in or affecting an environmental justice area to hold multiple in-person meetings with residents of the environmental justice area affected by the facility to share information and discuss community concerns.

Subd. 5. **Environmental justice area; permit decisions.** (a) In determining whether to issue or deny a permit under this section, the commissioner must consider the cumulative impacts analysis conducted, the testimony presented, and comments submitted in public meetings held under subdivision 4. The permit may be issued no earlier than 30 days following the last public meeting held under subdivision 4.

(b) Unless the commissioner enters into a community benefit agreement with the facility owner or operator, the commissioner must deny a permit subject to this section for a facility in an environmental justice area if the cumulative impacts analysis determines that issuing the permit, in combination with the environmental stressors present in the environmental justice area and considering the socioeconomic impact of the facility to the residents of the environmental justice area, would have a substantial adverse impact on the environment or health of the environmental justice area and its residents.

(c) If the facility owner or operator enters into a community benefit agreement with the commissioner, the agency may grant a permit that imposes conditions on the construction and operation of the facility to protect public health and the environment.

(d) A community benefit agreement must be signed on or before the date a new or reissued permit is issued in an environmental justice area.

(e) The commissioner must publish and maintain on the agency website a list of environmental justice areas in the state.

(f) The agency must maintain an updated database of identified environmental stressors in specific census tracts and make this database accessible to the public.

Subd. 6. **Rulemaking.** (a) The commissioner must adopt rules under chapter 14 to implement and govern the cumulative impacts analysis and issuance or denial of permits for facilities that impact environmental justice areas as provided in this section. Notwithstanding section 14.125, the agency must publish the notice of intent to adopt rules within 36 months of the effective date of this act, or the authority for the rules expires.

(b) During the rulemaking process, the Pollution Control Agency must engage in robust public engagement, including public meetings, and Tribal consultation.

(c) Rules adopted under this section must:

(1) establish benchmarks to assist the commissioner's determination regarding the need for a cumulative impacts analysis;

(2) establish the required content of a cumulative impacts analysis and must provide sources of public information that an applicant can access regarding environmental stressors that are present in an environmental justice area;

(3) define conditions, criteria, or circumstances that establish an environmental or health impact as a substantial adverse impact;

(4) establish the content of a community benefit agreement and procedures for entering into community benefit agreements, which must include:

(i) active outreach to residents of the impacted environmental justice area designed to achieve significant community participation;

(ii) considerations other than or in addition to economic considerations, but with priority given to considerations that directly impact the residents of the environmental justice area; and

(iii) at least one public meeting held within the impacted environmental justice area;

(5) establish a petition process and form to be submitted to the agency by environmental justice area residents to support the need for a cumulative impact analysis;

(6) establish a process by which a Tribal government can elect to apply this section to a permit application, as provided under subdivision 2; and

(7) establish methods for holding public meetings and handling public comments as required under subdivision 4.

(d) The agency must provide translation services and translated materials upon request during rulemaking meetings.

(e) The agency must provide public notice on the agency website at least 30 days before public meetings held on the rulemaking. The notice must include the date, time, and location of the meeting. The agency must use multiple communication methods to inform residents of environmental justice areas in the public meetings held for the rulemaking.

Subd. 7. **Compliance costs.** A permit applicant is responsible for the cost of complying with this section. The reasonable costs of the agency to comply with this section are to be borne by permit applicants subject to this section, as required under section 116.07, subdivision 4d, paragraph (b).

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

Sec. 4. Minnesota Statutes 2022, section 116.07, is amended by adding a subdivision to read:

Subd. 4m. **Public informational meetings.** (a) The commissioner may require, as part of a state individual air quality permit issued in response to an enforcement action that required the payment of a civil penalty, that the owner or operator hold in-person meetings with residents of the community where the facility is located to share information about the facility's operations and environmental releases and to discuss community concerns.

(b) For the purposes of this subdivision, "state individual air quality permit" means an air quality permit that:

(1) is issued to an individual facility that is required to obtain a permit under Minnesota Rules, part 7007.0250, subparts 2 to 6; and

(2) is not a general permit issued under Minnesota Rules, part 7007.1100.

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

Sec. 5. **AIR TOXICS EMISSIONS; RULEMAKING.**

Subdivision 1. **Definitions.** For the purposes of this section:

(1) "agency" means the Minnesota Pollution Control Agency;

(2) "air toxics" has the meaning given in Minnesota Statutes, section 116.062;

(3) "commissioner" means the commissioner of the Minnesota Pollution Control Agency;

(4) "continuous emission monitoring system" has the meaning given in Minnesota Rules, part 7017.1002, subpart 4;

(5) "environmental justice area" means one or more census tracts in Minnesota:

(i) in which, based on the most recent data published by the United States Census Bureau:

(A) 40 percent or more of the population is nonwhite;

(B) 35 percent or more of the households have an income at or below 200 percent of the federal poverty level; or

(C) 40 percent or more of the population over the age of five has limited English proficiency;
or

(ii) located within Indian Country, as defined in United States Code, title 18, section 1151;

(6) "performance test" has the meaning given in Minnesota Rules, part 7017.2005, subpart 4;
and

(7) "volatile organic compound" has the meaning given in Minnesota Rules, part 7005.0100, subpart 45.

Subd. 2. **Application.** This section applies to facilities that emit air toxics and are located in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington.

Subd. 3. **Rulemaking required.** The commissioner shall adopt rules under Minnesota Statutes, chapter 14, to implement and govern regulation of facilities that emit air toxics. Notwithstanding Minnesota Statutes, section 14.125, the agency must publish notice of intent to adopt rules within 36 months of the effective date of this act, or the authority for the rules expires.

Subd. 4. **Content of rules.** (a) The rules required under subdivision 3 must address, at a minimum:

(1) specific air toxics to be regulated, including, at a minimum, those defined in subdivision 1;

(2) types of facilities to be regulated, including, at a minimum, facilities that have been issued an air quality permit by the commissioner, other than an Option B registration permit under Minnesota Rules, part 7007.1120, and that:

- (i) emit air toxics, whether the emissions are limited in a permit or not; or
 - (ii) purchase or use material containing volatile organic compounds;
 - (3) performance tests conducted by facilities to measure the volume of air toxics emissions and testing methods, procedures, protocols, and frequency;
 - (4) required monitoring of air emissions, including using continuous emission monitoring systems for certain facilities, and monitoring of production inputs or other production parameters;
 - (5) requirements for reporting information to the agency to assist the agency in determining the amount of the facility's air toxics emissions and the facility's compliance with emission limits in the facility's permit;
 - (6) record keeping related to air toxics emissions; and
 - (7) frequency of facility inspections and inspection activities that provide information about air toxics emissions.
- (b) In developing the rules, the commissioner must establish testing, monitoring, reporting, record-keeping, and inspection requirements for facilities that reflect:
- (1) the different risks to human health and the environment posed by the specific air toxics and amounts emitted by a facility, such that facilities posing greater risks are required to provide more frequent evidence of permit compliance, including but not limited to performance tests, agency inspections, and reporting;
 - (2) the facility's record of compliance with air toxics emission limits and other permit conditions; and
 - (3) any exposure of residents of an environmental justice area to the facility's air toxics emissions.

Subd. 5. **Modifying permits.** Within three years after adopting the rules required in subdivision 3, the commissioner must amend existing air quality permits, including but not limited to federal permits, individual state total facility permits, and capped emission permits, as necessary to conform with the rules.

Subd. 6. **Rulemaking cost.** The commissioner must collect the agency's costs to develop the rulemaking required under this section and to conduct regulatory activities, including but not limited to monitoring, inspection, and data collection and maintenance, required as a result of the rulemaking through the annual fee paid by owners or operators of facilities required to obtain air quality permits from the agency, as required under Minnesota Statutes, section 116.07, subdivision 4d, paragraph (b).

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

Sec. 6. **COMMUNITY AIR-MONITORING SYSTEMS; PILOT GRANT PROGRAM.**

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

(b) "Agency" means the Minnesota Pollution Control Agency.

(c) "Commissioner" means the commissioner of the Minnesota Pollution Control Agency.

(d) "Community air-monitoring system" means a system of devices monitoring ambient air quality at many locations within a small geographic area that is subject to air pollution from a variety of stationary and mobile sources in order to obtain frequent measurements of pollution levels, to detect differences in exposure to pollution over distances no larger than a city block, and to identify areas where pollution levels are inordinately elevated.

(e) "Nonprofit organization" means an organization that is exempt from taxation under section 501(c)(3) of the Internal Revenue Code.

Subd. 2. **Establishing program.** A pilot grant program for community air-monitoring systems is established in the agency to measure air pollution levels at many locations within a community.

Subd. 3. **Eligible applicants.** Grants under this section may be awarded to applicants:

(1) consisting of a partnership between a nonprofit organization located in or working with residents located in the area in which the community air-monitoring system is to be deployed and an entity that has experience deploying, operating, and interpreting data from air-monitoring systems; and

(2) located in the seven-county metropolitan area.

Subd. 4. **Eligible projects.** Grants may be awarded under this section to applicants whose proposals:

(1) use a variety of air-monitoring technologies approved for use by the commissioner, including but not limited to stationary monitors, sensor-based handheld devices, and mobile devices that can be attached to vehicles or drones to measure air pollution levels;

(2) obtain data at fixed locations and from handheld monitoring devices that are carried by residents of the community on designated walking routes in the targeted community and that can provide high-frequency measurements;

(3) use the monitoring data to generate maps of pollution levels throughout the monitored area; and

(4) provide monitoring data to the agency to help inform:

(i) agency decisions, including placement of the agency's stationary air monitors and the development of programs to reduce air emissions; and

(ii) decisions by other governmental bodies regarding transportation or land use planning.

Subd. 5. **Eligible expenditures.** Grants may be used only for:

(1) planning the configuration and deployment of the community air-monitoring system;

(2) purchasing and installing air-monitoring devices as part of the community air-monitoring system;

(3) training and paying persons to operate stationary, handheld, and mobile devices to measure air pollution;

(4) developing data and mapping systems to analyze, organize, and present the air-monitoring data collected; and

(5) writing a final report on the project, as required under subdivision 9.

Subd. 6. Application and grant award process. An eligible applicant must submit an application to the commissioner on a form prescribed by the commissioner. The commissioner must develop administrative procedures governing the application and grant award process. The commissioner must act as fiscal agent for the grant program and is responsible for receiving and reviewing grant applications and awarding grants under this section.

Subd. 7. Grant awards; priorities. In awarding grants under this section, the commissioner must give priority to proposed projects that:

(1) take place:

(i) in areas with high rates of illness associated with exposure to air pollution, including asthma, chronic obstructive pulmonary disease, heart disease, chronic bronchitis, and cancer;

(ii) in or within one mile of a census tract where a facility with a state individual air permit has undergone an enforcement action that required the payment of a civil penalty in the previous two years; or

(iii) in an environmental justice area as defined in Minnesota Statutes, section 116.065;

(2) promote public access to and transparency of air-monitoring data developed through the project; and

(3) conduct outreach activities to promote community awareness of and engagement with the project.

Subd. 8. Report to agency. No later than 90 days after a project ends, a grantee must submit a written report to the commissioner describing the project's findings and results and any recommendations for agency actions, programs, or activities to reduce levels of air pollution measured by the community air-monitoring system. The grantee must also submit to the commissioner all air-monitoring data developed by the project.

Subd. 9. Report to legislature. No later than March 15, 2025, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over environment policy and finance on the results of the grant program, including:

(1) any changes in the agency's air-monitoring network that will occur as a result of data developed under the program;

(2) any actions the agency has taken or proposes to take to reduce levels of pollution that impact the areas that received grants under the program; and

(3) any recommendations for legislation, including whether the program should be extended or expanded.

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

ARTICLE 9

ENVIRONMENT AND NATURAL RESOURCES MISCELLANEOUS PROVISIONS

Section 1. Minnesota Statutes 2022, section 18B.01, subdivision 31, is amended to read:

Subd. 31. **Unreasonable adverse effects on the environment.** "Unreasonable adverse effects on the environment" means any unreasonable risk to humans or the environment, taking into account the economic, social, and environmental costs and benefits of the use of any pesticide or seed treated with pesticide.

Sec. 2. **[18B.075] PESTICIDE-TREATED SEED.**

A person may not use, store, handle, distribute, or dispose of seed treated with pesticide in a manner that:

(1) endangers humans, food, livestock, fish, or wildlife; or

(2) will cause unreasonable adverse effects on the environment.

Sec. 3. Minnesota Statutes 2022, section 18B.09, subdivision 2, is amended to read:

Subd. 2. **Authority.** (a) Statutory and home rule charter cities may enact an ordinance, which may include penalty and enforcement provisions, containing the pesticide application warning information contained in subdivision 3, including their own licensing, penalty, and enforcement provisions. Statutory and home rule charter cities may not enact an ordinance that contains more restrictive pesticide application warning information than is contained in subdivision 3. An ordinance may not be adopted that is more restrictive than the ordinance authorized by subdivision 3.

(b) Cities of the first class may enact an ordinance, which may include penalty and enforcement provisions, containing the pesticide prohibition contained in subdivision 4. An ordinance may not be adopted that is more restrictive than the ordinance authorized by subdivision 4.

Sec. 4. Minnesota Statutes 2022, section 18B.09, is amended by adding a subdivision to read:

Subd. 4. **Application of certain pesticides prohibited.** (a) A person may not apply or use a pollinator-lethal pesticide within the geographic boundaries of a city that has enacted an ordinance under subdivision 2 prohibiting such use.

(b) For purposes of this subdivision, "pollinator-lethal pesticide" means a pesticide that has a pollinator protection box on the label or labeling or a pollinator, bee, or honey bee precautionary statement in the environmental hazards section of the label or labeling.

(c) This subdivision does not apply to:

(1) pet care products used to mitigate fleas, mites, ticks, heartworms, or other animals that are harmful to the health of a domesticated animal;

(2) personal care products used to mitigate lice and bedbugs;

(3) indoor pest control products used to mitigate insects indoors, including ant bait;

(4) pesticides as used or applied by the Metropolitan Mosquito Control District for public health protection if the pesticide includes vector species on the label;

(5) wood preservative pesticides used either within a sealed steel cylinder or inside an enclosed building at a secure facility by trained technicians and pesticide-treated wood products;

(6) pesticides used or applied to control or eradicate a noxious weed designated by the commissioner under section 18.79, subdivision 13; and

(7) pesticides used or applied on land used for agricultural production and located in an area zoned for agricultural use.

(d) The commissioner must maintain a list of pollinator-lethal pesticides on the department's website.

(e) The commissioner must consult with federal regulatory authorities to ensure this section and ordinances adopted under subdivision 2, paragraph (b), comply with federal law. A city of the first class must consult with the commissioner before adopting an ordinance under subdivision 2, paragraph (b), to ensure that the proposed ordinance complies with state law.

Sec. 5. Minnesota Statutes 2022, section 21.86, subdivision 2, is amended to read:

Subd. 2. **Miscellaneous violations.** No person may:

(a) detach, alter, deface, or destroy any label required in sections 21.82 and 21.83, alter or substitute seed in a manner that may defeat the purposes of sections 21.82 and 21.83, or alter or falsify any seed tests, laboratory reports, records, or other documents to create a misleading impression as to kind, variety, history, quality, or origin of the seed;

(b) hinder or obstruct in any way any authorized person in the performance of duties under sections 21.80 to 21.92;

(c) fail to comply with a "stop sale" order or to move or otherwise handle or dispose of any lot of seed held under a stop sale order or attached tags, except with express permission of the enforcing officer for the purpose specified;

(d) use the word "type" in any labeling in connection with the name of any agricultural seed variety;

(e) use the word "trace" as a substitute for any statement which is required;

(f) plant any agricultural seed which the person knows contains weed seeds or noxious weed seeds in excess of the limits for that seed; ~~or~~

(g) advertise or sell seed containing patented, protected, or proprietary varieties used without permission of the patent or certificate holder of the intellectual property associated with the variety of seed; or

(h) use or sell as food, feed, oil, or ethanol feedstock any seed treated with neonicotinoid pesticide.

Sec. 6. [21.915] PESTICIDE-TREATED SEED USE AND DISPOSAL; CONSUMER GUIDANCE REQUIRED.

(a) The commissioner, in consultation with the commissioner of the Pollution Control Agency, must develop and maintain consumer guidance regarding the proper use and disposal of seed treated with pesticide.

(b) A person selling seed treated with pesticide at retail must post in a conspicuous location the guidance developed by the commissioner under paragraph (a).

Sec. 7. Minnesota Statutes 2022, section 85A.01, subdivision 1, is amended to read:

Subdivision 1. **Creation.** (a) The Minnesota Zoological Garden is established under the supervision and control of the Minnesota Zoological Board. The board consists of 30 public and private sector members having a background or interest in zoological societies or zoo management or an ability to generate community interest in the Minnesota Zoological Garden. Fifteen members shall be appointed by the board after consideration of a list supplied by board members serving on a nominating committee, and 15 members shall be appointed by the governor. One member of the board must be a resident of Dakota County and shall be appointed by the governor after consideration of the recommendation of the Dakota County Board. Board appointees shall not be subject to the advice and consent of the senate.

(b) To the extent possible, the board and governor shall appoint members who are residents of the various geographic regions of the state. Terms, compensation, and removal of members are as provided in section 15.0575, except that a member may be compensated at the rate of up to \$125 a day. In making appointments, the governor and board shall utilize the appointment process as provided under section 15.0597 and consider, among other factors, the ability of members to garner support for the Minnesota Zoological Garden.

(c) A member of the board may not be an employee of or have a direct or immediate family financial interest in a business that provides goods or services to the zoo. A member of the board may not be an employee of the zoo.

Sec. 8. Minnesota Statutes 2022, section 216B.2424, subdivision 5c, is amended to read:

Subd. 5c. **New power purchase agreement.** (a) No later than August 1, 2021, a public utility subject to subdivision 5 and the cogeneration facility may file a proposal with the commission to enter into a power purchase agreement that governs the public utility's purchase of electricity generated by the cogeneration facility. The power purchase agreement may extend no later than

December 31, 2024, and must not be extended beyond that date except as provided in paragraph (f).

(b) The commission is prohibited from approving a new power purchase agreement filed under this subdivision that does not meet all of the following conditions:

(1) the cogeneration facility agrees that any waste wood from ash trees removed from Minnesota counties that have been designated as quarantined areas in Section IV of the Minnesota State Formal Quarantine for Emerald Ash Borer, issued by the commissioner of agriculture under section 18G.06, effective November 14, 2019, as amended, for utilization as biomass fuel by the cogeneration facility must be accompanied by evidence:

(i) demonstrating that the transport of biomass fuel from processed waste wood from ash trees to the cogeneration facility complies with the department's regulatory requirements under the Minnesota State Formal Quarantine for Emerald Ash Borer, which may consist of:

(A) a certificate authorized or prepared by the commissioner of agriculture or an employee of the Animal and Plant Health Inspection Service of the United States Department of Agriculture verifying compliance; or

(B) shipping documents demonstrating compliance; or

(ii) certifying that the waste wood from ash trees has been chipped to one inch or less in two dimensions, and was chipped within the county from which the ash trees were originally removed;

(2) the price per megawatt hour of electricity paid by the public utility demonstrates significant savings compared to the existing power purchase agreement, with a price that does not exceed \$98 per megawatt hour;

(3) the proposal includes a proposal to the commission for one or more electrification projects that result in the St. Paul district heating and cooling system being powered by electricity generated from renewable energy technologies. The plan must evaluate electrification at three or more levels from ten to 100 percent, including 100 percent of the energy used by the St. Paul district heating and cooling system to be implemented by December 31, 2027. The proposal may also evaluate alternative dates for implementation. For each level of electrification analyzed, the proposal must contain:

(i) a description of the alternative electrification technologies evaluated and whose implementation is proposed as part of the electrification project;

(ii) an estimate of the cost of the electrification project to the public utility, the impact on the monthly energy bills of the public utility's Minnesota customers, and the impact on the monthly energy bills of St. Paul district heating and cooling system customers;

(iii) an estimate of the reduction in greenhouse gas emissions resulting from the electrification project, including greenhouse gas emissions associated with the transportation of waste wood;

(iv) estimated impacts on the operations of the St. Paul district heating and cooling system; and

(v) a timeline for the electrification project; and

(4) the power purchase agreement provides a net benefit to the utility customers or the state.

(c) The commission may approve, or approve as modified, a proposed electrification project that meets the requirements of this subdivision if it finds the electrification project is in the public interest, or the commission may reject the project if it finds that the project is not in the public interest. When determining whether an electrification project is in the public interest, the commission may consider the effects of the electrification project on air emissions from the St. Paul district heating and cooling system and how the emissions impact the environment and residents of affected neighborhoods.

(d) During the agreement period, the cogeneration facility must attempt to obtain funding to reduce the cost of generating electricity and enable the facility to continue to operate beyond the agreement period to address the removal of ash trees, as described in paragraph (b), clause (1); ~~without any subsidy or contribution from any power purchase agreement after December 31, 2024.~~ The cogeneration facility must submit periodic reports to the commission regarding the efforts made under this paragraph.

(e) Upon approval of the new power purchase agreement, the commission must require periodic reporting regarding progress toward development of a proposal for an electrification project.

(f) Except as provided in paragraph (a), the commission is ~~prohibited from approving~~ allowed to approve a power purchase agreement after the agreement period ~~unless it approves without approving~~ an electrification project. Nothing in this section shall require any utility to enter into a power purchase agreement with the cogeneration facility after December 31, 2024.

(g) Upon approval of an electrification project, the commission must require periodic reporting regarding the progress toward implementation of the electrification project.

(h) If the commission approves the proposal submitted under paragraph (b), clause (3), the commission may allow the public utility to recover prudently incurred costs net of revenues resulting from the electrification project through an automatic cost recovery mechanism that allows for cost recovery outside of a general rate case. The cost recovery mechanism approved by the commission must:

(1) allow a reasonable return on the capital invested in the electrification project by the public utility, as determined by the commission; and

(2) recover costs only from the public utility's Minnesota electric service customers.

Sec. 9. 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 in calendar years 2023, 2024, and 2025 and up to ten percent annually thereafter for renewable and climate change related economic development and environmental projects in the county that protect the environment or create clean-economy jobs and manufacturing. The county must leave a minimum of \$10,000,000 as principal in the account. For purposes of this paragraph, economic development projects mean solar incentives and projects to protect Lake Superior and other waters in the Great Lakes watershed from PFAS contamination from landfills. Notwithstanding section 10.49, the environmental trust fund established under this section must be named the Mary C. Murphy Trust Fund.

Sec. 10. [473.5491] METROPOLITAN CITIES INFLOW AND INFILTRATION GRANTS.

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

(b) "Affordability criteria" means an inflow and infiltration project service area that is located, in whole or in part, in a census tract where at least three of the following apply as determined using the most recently published data from the United States Census Bureau or United States Centers for Disease Control and Prevention:

(1) 20 percent or more of the residents have income below the federal poverty thresholds;

(2) the tract has a United States Centers for Disease Control and Prevention Social Vulnerability Index greater than 0.80;

(3) the upper limit of the lowest quintile of household income is less than the state upper limit of the lowest quintile;

(4) the housing vacancy rate is greater than the state average; or

(5) the percent of the population receiving Supplemental Nutrition Assistance Program (SNAP) benefits is greater than the state average.

(c) "City" means a statutory or home rule charter city located within the metropolitan area.

Subd. 2. **Grants.** (a) The council shall make grants to cities for capital improvements in municipal wastewater collection systems to reduce the amount of inflow and infiltration to the council's metropolitan sanitary sewer disposal system.

(b) A grant under this section may be made in an amount up to 50 percent of the cost to mitigate inflow and infiltration in the publicly owned municipal wastewater collection system. The council may award a grant up to 100 percent of the cost to mitigate inflow and infiltration in the publicly owned municipal wastewater collection system if the project meets affordability criteria.

Subd. 3. **Eligibility.** To be eligible for a grant under this section, a city must be identified by the council as a contributor of excessive inflow and infiltration in the metropolitan disposal system

or have a measured flow rate within 20 percent of its allowable council-determined inflow and infiltration limits.

Subd. 4. **Application.** The council must award grants based on applications from cities that identify eligible capital costs and include a timeline for inflow and infiltration mitigation construction, pursuant to guidelines established by the council. The council must prioritize applications that meet affordability criteria.

Subd. 5. **Cancellation.** If a grant is awarded to a city and funds are not encumbered for the grant within four years after the award date, the grant must be canceled.

Sec. 11. **[473.5492] COMMUNITY WASTEWATER COSTS; ANNUAL REPORT.**

By February 15 each year, the council must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over capital investment and environment and natural resources that provides a summary of the average monthly wastewater costs for communities in the metropolitan area for the previous calendar year.

Sec. 12. **50-YEAR CLEAN WATER PLAN SCOPE OF WORK.**

(a) The Board of Regents of the University of Minnesota, through the University of Minnesota Water Council, is requested to develop a scope of work, timeline, and budget for a plan to promote and protect clean water in Minnesota for the next 50 years. The 50-year clean water plan must:

(1) provide a literature-based assessment of the current status and trends regarding the quality and quantity of all Minnesota waters, both surface and subsurface;

(2) identify gaps in the data or understanding and provide recommended action steps to address gaps;

(3) identify existing and potential future threats to Minnesota's waters; and

(4) propose a road map of scenarios and policy recommendations to allow the state to proactively protect, remediate, and conserve clean water for human use and biodiversity for the next 50 years.

(b) The scope of work must outline the steps and resources necessary to develop the plan, including but not limited to:

(1) the data sets that are required and how the University of Minnesota will obtain access;

(2) the suite of proposed analysis methods;

(3) the roles and responsibilities of project leaders, key personnel, and stakeholders;

(4) the project timeline with milestones; and

(5) a budget with expected costs for tasks and milestones.

(c) By December 1, 2023, the Board of Regents of the University of Minnesota is requested to submit the scope of work to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources.

ARTICLE 10

CLIMATE AND ENERGY FINANCE

Section 1. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "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. If an appropriation in this article is enacted more than once in the 2023 legislative session, the appropriation must be given effect only once.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2024</u>	<u>2025</u>
Sec. 2. <u>DEPARTMENT OF COMMERCE</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$ 97,159,000</u>	<u>\$ 28,714,000</u>
<u>Appropriations by Fund</u>		
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>96,083,000</u>	<u>27,617,000</u>
<u>Petroleum Tank</u>	<u>1,076,000</u>	<u>1,097,000</u>

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

Subd. 2. <u>Energy Resources</u>	<u>96,083,000</u>	<u>27,617,000</u>
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(a) \$5,861,000 the first year and \$6,038,000 the second year are to the division of energy resources for operating expenses.

(b) \$150,000 the first year and \$150,000 the second year are to remediate vermiculite insulation from households that are eligible for weatherization assistance under Minnesota's weatherization assistance

program state plan under Minnesota Statutes, section 216C.264. Remediation must be done in conjunction with federal weatherization assistance program services.

(c) \$1,138,000 in the first year is transferred from the general fund to the solar for schools program account under Minnesota Statutes, section 216C.375, to provide financial assistance to schools that are state colleges and universities to purchase and install solar energy generating systems. This appropriation must be expended on schools located outside the electric service territory of the public utility that is subject to Minnesota Statutes, section 116C.779. Money under this paragraph is available until June 30, 2034. Any money remaining on June 30, 2034, cancels to the general fund.

(d) \$189,000 each year is for activities associated with a utility's implementation of a natural gas innovation plan under Minnesota Statutes, section 216B.2427.

(e) \$15,000,000 in the first year is transferred from the general fund to the solar for schools program account in the special revenue fund for grants under the solar for schools program established under Minnesota Statutes, section 216C.375. The money under this paragraph must be expended on schools located outside the electric service territory of the public utility that is subject to Minnesota Statutes, section 116C.779.

(f) \$500,000 each year is for the strengthen Minnesota homes program under Minnesota Statutes, section 65A.299, subdivision 4. Money under this paragraph is transferred from the general fund to strengthen Minnesota homes account in the special revenue fund. This is a onetime appropriation.

(g) \$20,000,000 the first year and \$18,737,000 the second year are for weatherization and preweatherization work

to serve additional households and allow for services that would otherwise be denied due to current federal limitations related to the federal weatherization assistance program. Money under this paragraph is transferred from the general fund to the preweatherization account in the special revenue fund under Minnesota Statutes, section 216C.264, subdivision 1c. The base in fiscal years 2026 and later is \$3,199,000.

(h) \$15,000,000 the first year is for a grant to an investor-owned electric utility that has at least 50,000 retail electric customers, but no more than 200,000 retail electric customers, to increase the capacity and improve the reliability of an existing high-voltage direct current transmission line that runs between North Dakota and Minnesota. This is a onetime appropriation and must be used to support the cost-share component of a federal grant application to a program enacted in the federal Infrastructure Investment and Jobs Act, Public Law 117-58, and may otherwise be used to reduce the cost of the high-voltage direct current transmission project upgrade and to reimburse the reasonable costs incurred by the department to administer the grant. This appropriation is available until June 30, 2034.

(i) \$300,000 the first year is for technical assistance and administrative support for the Tribal Advocacy Council on Energy under article 12, section 71. As part of the technical assistance and administrative support for the program, the commissioner must hire a Tribal liaison to support the Tribal Advocacy Council on Energy and advise the department on the development of a culturally responsive clean energy grants program based on the priorities identified by the Tribal Advocacy Council on Energy.

(j) \$3,000,000 the first year is for a grant to Clean Energy Economy Minnesota for the Minnesota Energy Alley initiative to secure

the state's energy and economic development future. The appropriation may be used to establish and support the initiative, provide seed funding for businesses, develop a training and development program, support recruitment of entrepreneurs to Minnesota, and secure funding from federal programs and corporate partners to establish a self-sustaining, long-term revenue model. This appropriation may be used to reimburse the reasonable costs incurred by the department to administer the grant. This is a onetime appropriation and is available until June 30, 2027.

(k) \$5,000,000 the first year is transferred to the electric vehicle rebate program account to award rebates to purchase or lease eligible electric vehicles under Minnesota Statutes, section 216C.401. Rebates must be awarded under this paragraph only to eligible recipients located outside the retail electric service area of the public utility that is subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation and is available until June 30, 2027.

(l) \$1,000,000 the first year is to award grants under Minnesota Statutes, section 216C.402, to automobile dealers seeking certification to sell electric vehicles and to reimburse the reasonable costs incurred by the department to administer the grants. Grants must only be awarded under this paragraph to eligible dealers located outside the retail electric service area of the public utility that is subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation and is available until June 30, 2027.

(m) \$3,000,000 the first year is transferred to the residential electric panel upgrade grant program account established under Minnesota Statutes, section 216C.45, to award electric panel upgrade grants and to reimburse the reasonable costs incurred by the department to administer the program. Grants must be awarded under this paragraph

only to owners of single-family homes or multifamily buildings located outside the electric service area of the public utility subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation and is available until June 30, 2027.

(n) \$500,000 the first year and \$500,000 the second year are for a grant to the clean energy resource teams partnerships under Minnesota Statutes, section 216C.385, subdivision 2, to provide additional capacity to perform the duties specified under Minnesota Statutes, section 216C.385, subdivision 3. This appropriation may be used to reimburse the reasonable costs incurred by the department to administer the grant.

(o) \$1,807,000 the first year and \$301,000 the second year are to implement energy benchmarking under Minnesota Statutes, section 216C.331.

Of the amount appropriated under this paragraph, \$750,000 the first year is to award grants to qualifying utilities that are not investor-owned utilities to support the development of technology for implementing energy benchmarking under Minnesota Statutes, section 216C.331. This is a onetime appropriation.

Of the amount appropriated in the first year under this paragraph, \$756,000 the first year is for a grant to Building Owners and Managers Association Greater Minneapolis to establish partnerships with three technical colleges and high school career counselors with a goal of increasing the number of building engineers across Minnesota. This is a onetime appropriation and is available until June 30, 2028. The grant recipient must provide a detailed report describing how the grant funds were used to the chairs and ranking minority members of the legislative committees having jurisdiction over higher education by January 15 of each year until

2028. The report must describe the progress made toward the goal of increasing the number of building engineers and strategies used.

(p) \$500,000 the first year is for a feasibility study to identify and process Minnesota iron resources that could be suitable for upgrading to long-term battery storage specifications. The results of the feasibility study must be submitted to the commissioner of commerce and to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over energy policy no later than February 1, 2025. This appropriation may be used to reimburse the reasonable costs incurred to administer the study. This is a onetime appropriation.

(q) \$6,000,000 the first year is for electric school bus grants under Minnesota Statutes, section 216C.374. Money under this paragraph is transferred from the general fund to the electric school bus program account. This is a onetime appropriation.

(r) \$5,300,000 the first year is for electric grid resiliency grants under article 12, section 72. This appropriation may be used to reimburse the reasonable costs incurred by the department to administer the grants. This is a onetime appropriation and is available until June 30, 2028.

(s) \$6,000,000 the first year is transferred to the heat pump rebate program account established under Minnesota Statutes, section 216C.46, to implement the heat pump rebate program and to reimburse the reasonable costs incurred by the department to administer the program. Of this amount:

(1) up to \$1,400,000 the first year is to contract with an energy coordinator under Minnesota Statutes, section 216C.46, subdivision 5; and

(2) up to \$1,400,000 the first year is to conduct contractor training and support under Minnesota Statutes, section 216C.46, subdivision 6.

(t) \$1,000,000 the first year is to award air ventilation pilot program grants under Minnesota Statutes, section 123B.663, for assessments, testing, and equipment upgrades in schools, and for the department's costs to administer the program. This is a onetime appropriation.

(u) \$500,000 the first year is for a grant to the city of Anoka for feasibility studies as described in this paragraph and design, engineering, and environmental analysis related to the repair and reconstruction of the Rum River Dam. Findings from the feasibility studies must be incorporated into the design and engineering funded by this appropriation. This appropriation is onetime and is available until June 30, 2027. This appropriation includes money for the following studies: (1) a study to assess the feasibility of adding a lock or other means for boats to traverse the dam to navigate between the lower Rum River and upper Rum River; (2) a study to assess the feasibility of constructing the dam in a manner that would facilitate recreational river surfing at the dam site; and (3) a study to assess the feasibility of constructing the dam in a manner to generate hydroelectric power.

(v) \$3,000,000 the first year is for grants to install on-site energy storage systems, as defined in Minnesota Statutes, section 216B.2422, subdivision 1, paragraph (f), with a capacity of 50 kilowatt hours or less and that are located outside the electric service area of the electric utility subject to Minnesota Statutes, section 116C.779. To receive a grant under this paragraph, an owner of the energy storage system must be operating a solar energy generating system at the same site as the energy storage system or have filed an application with a utility to

interconnect a solar energy generating system at the same site as the energy storage system. This appropriation may be used to reimburse the reasonable costs incurred by the department to administer the grants. This is a onetime appropriation and is available until June 30, 2027.

(w) \$164,000 the second year is for activities associated with a public utility's filing a transportation electrification plan under Minnesota Statutes, section 216B.1615. The base in fiscal year 2026 and later is \$164,000.

(x) \$77,000 each year is for activities associated with appeals of consumer complaints to the commission under Minnesota Statutes, section 216B.172.

(y) \$961,000 each year is for activities required under Minnesota Statutes, section 216B.1641 for community solar gardens. This appropriation must be assessed directly to the public utility subject to Minnesota Statutes, section 116C.779.

(z) \$300,000 the first year is for the community solar garden program study required under article 12, section 73.

Subd. 3. Petroleum Tank Release Compensation Board

	<u>1,076,000</u>	<u>1,097,000</u>
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This appropriation is from the petroleum tank fund.

<u>Sec. 3. PUBLIC UTILITIES COMMISSION</u>	<u>\$ 10,748,000</u>	<u>\$ 11,106,000</u>
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The general fund base budget is \$11,150,000 in fiscal year 2026 and \$11,106,000 in fiscal year 2027.

<u>Sec. 4. AGRICULTURE</u>	<u>\$ 7,000,000</u>	<u>\$ -0-</u>
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\$7,000,000 the first year is for grants to cooperatives to invest in green fertilizer production facilities, as provided under article 12, section 77. This is a onetime

appropriation and is available until June 30, 2032.

Sec. 5. **POLLUTION CONTROL AGENCY** \$ 2,000,000 \$ -0-

\$2,000,000 the first year is transferred to the local climate action grant program account established in the special revenue fund to:

- (1) award grants to eligible applicants;
- (2) provide technical assistance to applicants;
- (3) pay a contractor to provide greenhouse gas emissions data to grantees; and
- (4) reimburse the reasonable costs of the agency to administer the program.

Of this amount, 65 percent is available the first year, of which half is reserved for applicants located outside the counties of Hennepin, Ramsey, Anoka, Dakota, Scott, Carver, and Washington. In the second year, any unencumbered first year money and the balance of the appropriation are available to all eligible applicants, and remain available until June 30, 2025. The base in fiscal year 2026 is \$0.

Sec. 6. **CLIMATE INNOVATION FINANCE AUTHORITY** \$ 20,000,000 \$ -0-

\$20,000,000 the first year is transferred to the climate innovation finance authority account for purposes of Minnesota Statutes, section 216C.441. This is a onetime appropriation.

Of this amount, the commissioner of management and budget may make up to \$500,000 available to the commissioner of commerce, at the request of the commissioner of commerce, to conduct necessary start-up activities before the authority has sufficient staff resources to do so.

Sec. 7. UNIVERSITY OF MINNESOTA \$ 1,000,000 \$ 1,000,000

\$1,000,000 the first year and \$1,000,000 the second year are for a program in the University of Minnesota Extension Service that enhances the capacity of the state's agricultural sector, land and resource managers, and communities to plan for and adapt to weather extremes, including but not limited to droughts and floods. This is a onetime appropriation and is available until June 30, 2030. The base in fiscal year 2026 and later is \$1,000,000.

The appropriation under this section must be used to support existing extension service staff members and to hire additional staff members for a program with broad geographic reach throughout the state. The program must:

(1) identify, develop, implement, and evaluate educational programs that increase the capacity of Minnesota's agricultural sector, land and resource managers, and communities to be prepared for and adapt to projected physical changes in temperature, precipitation, and other weather parameters that affect crops, lands, horticulture, pests, and wildlife in ways that present challenges to the state's agricultural sector and the communities that depend on the agricultural sector; and

(2) communicate and interpret the latest research on critical weather trends and the scientific basis for critical weather trends to further prepare extension service staff throughout the state to educate and provide technical assistance to the agricultural sector, land and resource managers, and community members at the local level regarding technical information on water resource management, agriculture and forestry, engineering and infrastructure design, and emergency management that is necessary to develop strategies to mitigate the effects of extreme weather change.

subdivision 1, paragraph (j), the appropriations are from the renewable development account in the special revenue fund established in Minnesota Statutes, section 116C.779, subdivision 1, 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.

(b) If an appropriation in this article is enacted more than once in the 2023 regular or special legislative session, the appropriation must be given effect only once.

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

Sec. 2. DEPARTMENT OF COMMERCE

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>61,077,000</u>	<u>\$</u>	<u>11,649,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. "Made in Minnesota" Administration

\$100,000 each year is to administer the "Made in Minnesota" solar energy production incentive program under Minnesota Statutes, section 216C.417. Any unobligated amount remaining on June 30, 2025, cancels to the renewable development account.

Subd. 3. Microgrid Research and Application

(a) \$3,000,000 the first year and \$400,000 the second year are for a grant to the University of St. Thomas Center for Microgrid Research for the purposes of paragraph (b). The base in fiscal year 2026 is \$400,000 and \$0 in fiscal year 2027.

(b) The appropriations in this subdivision must be used by the University of St. Thomas Center for Microgrid Research to:

(1) increase the center's capacity to provide industry partners opportunities to test near-commercial microgrid products on a

real-world scale and to multiply opportunities for innovative research;

(2) procure advanced equipment and controls to enable the extension of the university's microgrid to additional buildings; and

(3) expand (i) hands-on educational opportunities for undergraduate and graduate electrical engineering students to increase understanding of microgrid operations, and (ii) partnerships with community colleges.

(c) \$4,100,000 the first year is for a grant to the University of St. Thomas Center for Microgrid Research for capacity building and matching requirements as a condition of receiving federal funds. This appropriation is available until June 30, 2027.

Subd. 4. Granite Falls Hydroelectric Generating Facility

\$2,000,000 the first year is for a grant to the city of Granite Falls for repair and overage costs related to the city's existing hydroelectric generating facility. This is a onetime appropriation and any amount unobligated by June 30, 2025, cancels to the renewable development account.

Subd. 5. Electric Vehicle Rebates

(a) \$5,567,000 the first year and \$5,149,000 the second year are for transfer to the electric vehicle rebate program account established under Minnesota Statutes, section 216C.401, to award rebates to purchase or lease eligible electric vehicles under Minnesota Statutes, section 216C.401. Rebates must be awarded under this paragraph only to eligible purchasers located within the retail electric service area of the public utility that is subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation and is available until June 30, 2027.

(b) \$1,000,000 the first year is to award grants under Minnesota Statutes, section

216C.402, to automobile dealers seeking certification from an electric vehicle manufacturer to sell electric vehicles and to reimburse the reasonable costs incurred by the department to administer the grants. Rebates must only be awarded under this paragraph to eligible dealers located within the retail electric service area of the public utility that is subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation and is available until June 30, 2027.

Subd. 6. Electric School Bus Grants

\$7,000,000 the first year is transferred to the electric school bus program account established under Minnesota Statutes, section 216C.374, to provide grants to (1) accelerate the deployment of electric school buses and related electric vehicle infrastructure, and (2) to pay the commissioner's costs to administer Minnesota Statutes, section 216C.374. This is a onetime appropriation and is available until June 30, 2027.

Subd. 7. Solar on Public Buildings

\$5,000,000 the first year is transferred from the renewable development account to the solar on public buildings grant program account for the grant program described in Minnesota Statutes, section 216C.377. The appropriation in this subdivision must be used only to provide grants to public buildings located within the electric service area of the electric utility subject to Minnesota Statutes, section 116C.779.

Subd. 8. Electric Panel Upgrade Grants

\$3,500,000 the first year is transferred to the residential electric panel upgrade grant program account for the purpose of awarding electric panel upgrade grants under Minnesota Statutes, section 216C.45, and to reimburse the reasonable cost of the department to administer the program. Grants awarded with funds appropriated under this

subdivision must be awarded only to owners of single-family homes or multifamily buildings that are located within the electric service area of the public utility subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation and remains available until June 30, 2027. Any unobligated money that remains unexpended on June 30, 2027, cancels to the renewable development account.

Subd. 9. Energy Storage Incentive Grants

\$4,000,000 the first year is to award grants to install energy storage systems under Minnesota Statutes, section 216C.379, and to pay the reasonable costs incurred by the department to administer Minnesota Statutes, section 216C.379. This is a onetime appropriation and is available until June 30, 2027.

Subd. 10. Distributed Energy Resources System Upgrades

\$4,250,000 the first year and \$6,000,000 the second year are for eligible expenditures under the distributed energy resources system upgrade program established in Minnesota Statutes, section 216C.378. Of this amount, \$250,000 the first year is to implement the small interconnection cost-sharing program ordered by the Public Utilities Commission on December 19, 2022, in Docket E002/M-18-714, to cover the costs of certain distribution upgrades for customers of the utility subject to Minnesota Statutes, section 116C.779, seeking to interconnect distributed generation of up to a certain size. The appropriation under this subdivision may be used for the reasonable costs of distribution upgrades as defined in Minnesota Statutes, section 216C.378, subdivision 1. Money under this subdivision is transferred from the renewable development account to the distributed energy resource system upgrade program account for the purposes of this subdivision. This is a onetime appropriation.

Subd. 11. Heat Pump Grants

\$7,000,000 the first year is transferred to the heat pump rebate program account to implement the heat pump rebate program under Minnesota Statutes, section 216C.46, and to reimburse the reasonable costs incurred by the department to administer the program.

Subd. 12. Solar For Schools

\$14,310,000 the first year is transferred to the solar for schools program account established under Minnesota Statutes, section 216C.375, to provide financial assistance to schools to purchase and install solar energy generating systems under Minnesota Statutes, section 216C.375. The appropriations under this paragraph must be expended on schools located within the electric service territory of the public utility that is subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation.

Subd. 13. Energy Storage System Capacity

\$250,000 the first year is for a commerce department study of the energy storage system capacity required to achieve the state renewable energy standard and carbon-free goals under Minnesota Statutes, section 216B.1691, and to host a meeting to obtain recommendations from stakeholders and the public on policies and programs to accelerate energy storage system deployment to achieve the storage capacity the study determines to be required. The study is to be completed by January 15, 2024.

Sec. 3. MINNESOTA AMATEUR SPORTS COMMISSION

\$ -0- \$ 4,200,000

\$4,200,000 the second year is to install solar arrays on an ice rink and a maintenance facility at the National Sports Center in Blaine. This is a onetime appropriation.

Sec. 4. DEPARTMENT OF ADMINISTRATION \$ 780,000 \$ 92,000

(a) \$690,000 the first year is to contract with the Board of Regents of the University of Minnesota for a grant to the Institute on the Environment to conduct research examining how projections of future weather trends may exacerbate conditions, including but not limited to drought, elevated temperatures, and flooding, that:

(1) can be integrated into the design and evaluation of buildings constructed by the state of Minnesota and local units of government, in order to:

(i) reduce energy costs by deploying cost-effective energy efficiency measures, innovative construction materials and techniques, and renewable energy sources; and

(ii) prevent and minimize damage to buildings caused by extreme weather conditions, including but not limited to increased frequency of intense precipitation events and tornadoes, flooding, and elevated temperatures; and

(2) may weaken the ability of natural systems to mitigate the conditions to the point where human intervention in the form of building or redesigning the scale and operation of infrastructure is required to address those conditions in order to:

(i) maintain and increase the amount and quality of food and wood production;

(ii) reduce fire risk on forested land;

(iii) maintain and enhance water quality; and

(iv) maintain and enhance natural habitats.

The contract must provide that no later than February 1, 2025, the director of the Institute on the Environment or the director's designee must submit a written report to the chairs and

ranking minority members of the legislative committees with primary jurisdiction over environment policy and capital investment summarizing the findings and recommendations of the research, including any recommendations for policy changes or other legislation. This is a onetime appropriation.

(b) \$90,000 the first year and \$92,000 the second year are for software and administrative costs associated with the state building energy conservation improvement revolving loan program under Minnesota Statutes, section 16B.87.

Sec. 5. <u>POLLUTION CONTROL AGENCY</u>	<u>\$</u>	<u>2,000,000</u>	<u>\$</u>	<u>1,000,000</u>
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\$2,000,000 the first year and \$1,000,000 the second year are transferred to the local climate action grant program account established in the special revenue fund to:

- (1) award grants to eligible applicants;
- (2) provide technical assistance to applicants;
- (3) pay a contractor to provide greenhouse gas emissions data to grantees; and
- (4) reimburse the reasonable costs of the agency to administer the program.

Of this amount, 65 percent is available the first year, of which half is reserved for applicants located outside the counties of Hennepin, Ramsey, Anoka, Dakota, Scott, Carver, and Washington. In the second year, any unencumbered first year money and the balance of the appropriation are available to all eligible applicants, and remains available until June 30, 2025. The base in fiscal year 2026 and later is \$0.

ARTICLE 12**ENERGY POLICY**Section 1. **[16B.312] CONSTRUCTION MATERIALS; ENVIRONMENTAL ANALYSIS.**

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

(b) "Carbon steel" means steel in which the main alloying element is carbon and whose properties are chiefly dependent on the percentage of carbon present.

(c) "Commissioner" means the commissioner of administration.

(d) "Electric arc furnace" means a furnace that produces molten alloy metal and heats the charge materials with electric arcs from carbon electrodes.

(e) "Eligible material" means:

(1) carbon steel rebar;

(2) structural steel;

(3) concrete; or

(4) asphalt paving mixtures.

(f) "Eligible project" means:

(1) new construction of a state building larger than 50,000 gross square feet of occupied or conditioned space;

(2) renovation of more than 50,000 gross square feet of occupied or conditioned space in a state building whose renovation cost exceeds 50 percent of the building's assessed value; or

(3) new construction or reconstruction of two or more lane-miles of a trunk highway.

(g) "Environmental product declaration" means a supply chain specific type III environmental product declaration that:

(1) contains a material production life cycle assessment of the environmental impacts of manufacturing a specific product by a specific firm, including the impacts of extracting and producing the raw materials and components that compose the product;

(2) is verified by a third party; and

(3) meets the ISO 14025 standard developed and maintained by the International Organization for Standardization (ISO).

(h) "Global warming potential" has the meaning given in section 216H.10, subdivision 6.

(i) "Greenhouse gas" has the meaning given to "statewide greenhouse gas emissions" in section 216H.01, subdivision 2.

(j) "Integrated steel production" means the production of iron and subsequently steel primarily from iron ore or iron ore pellets.

(k) "Material production life cycle" means an analysis that includes the environmental impacts of all stages of a specific product's production, from mining and processing the product's raw materials to the process of manufacturing the product.

(l) "Rebar" means a steel reinforcing bar or rod encased in concrete.

(m) "Secondary steel production" means the production of steel from primarily ferrous scrap and other metallic inputs that are melted and refined in an electric arc furnace.

(n) "State building" means a building owned by the state of Minnesota or a Minnesota state agency.

(o) "Structural steel" means steel that is used in structural applications in accordance with industry standard definitions.

(p) "Supply chain specific" means an environmental product declaration that includes specific data for the production processes of the materials and components composing a product that contribute at least 80 percent of the product's material production life cycle global warming potential, as defined in ISO standard 21930.

Subd. 2. **Standard; maximum global warming potential.** (a) The commissioner shall, after reviewing the recommendations from the Environmental Standards Procurement Task Force made under subdivision 5, paragraph (c), establish and publish a maximum acceptable global warming potential for each eligible material used in an eligible project, in accordance with the following schedule:

(1) for concrete used in buildings, no later than January 15, 2026; and

(2) for carbon steel rebar and structural steel and, after conferring with the commissioner of transportation, for asphalt paving mixtures and concrete pavement, no later than January 15, 2028.

(b) The commissioner shall, after considering nationally or internationally recognized databases of environmental product declarations for an eligible material, establish the maximum acceptable global warming potential for the eligible material.

(c) The commissioner may set different maximum global warming potentials for different specific products and subproduct categories that are examples of the same eligible material based on distinctions between eligible material production and manufacturing processes, such as integrated versus secondary steel production.

(d) The commissioner must establish maximum global warming potentials that are consistent with criteria in an environmental product declaration.

(e) Not later than three years after establishing the maximum global warming potential for an eligible material under paragraph (a), and not longer than every three years thereafter, the commissioner, after conferring with the commissioner of transportation with respect to asphalt paving mixtures and concrete pavement, shall review the maximum acceptable global warming potential for each eligible material and for specific eligible material products. The commissioner may adjust any of the values downward to reflect industry improvements if, based on the process described in paragraph (b), the commissioner determines the industry average has declined.

Subd. 3. **Procurement process.** The Department of Administration and the Department of Transportation shall, after reviewing the recommendations of the Environmental Standards Procurement Task Force made under subdivision 5, paragraph (c), establish processes for incorporating the maximum allowable global warming potential of eligible materials into bidding processes by the effective dates listed in subdivision 2. The Department of Administration and Department of Transportation must also incorporate into the bidding process a preference for materials mined, made, or assembled in Minnesota.

Subd. 4. **Pilot program.** (a) No later than July 1, 2024, the Department of Administration must establish a pilot program that seeks to obtain from vendors an estimate of the material production life cycle greenhouse gas emissions of products selected by the departments from among those procured. The pilot program must encourage, but may not require, a vendor to submit the following data for each selected product that represents at least 90 percent of the total cost of the materials or components composing the selected product:

- (1) the quantity of the product purchased by the department;
- (2) a current environmental product declaration for the product;
- (3) the name and location of the product's manufacturer;
- (4) a copy of the vendor's Supplier Code of Conduct, if any;
- (5) the names and locations of the product's actual production facilities; and
- (6) an assessment of employee working conditions at the product's production facilities.

(b) The Department of Administration must construct or provide access to a publicly accessible database, which shall be posted on the department's website and contain the data reported to the department under this subdivision.

Subd. 5. **Environmental Standards Procurement Task Force.** (a) No later than October 1, 2023, the commissioners of administration and transportation must establish an Environmental Standards Procurement Task Force to examine issues surrounding the implementation of a program requiring vendors of certain construction materials purchased by the state to:

(1) submit environmental product declarations that assess the material production life cycle environmental impacts of the materials to state officials as part of the procurement process; and

(2) meet standards established by the commissioner of administration that limit greenhouse gas emissions impacts of the materials.

(b) The task force must examine, at a minimum, the following:

(1) which construction materials should be subject to the program requirements and which construction materials should be considered to be added, including lumber, mass timber, aluminum, glass, and insulation;

(2) what factors should be considered in establishing greenhouse gas emissions standards, including distinctions between eligible material production and manufacturing processes, such as integrated versus secondary steel production;

(3) a schedule for the development of standards for specific materials and for incorporating the standards into the purchasing process, including distinctions between eligible material production and manufacturing processes;

(4) the development and use of financial incentives to reward vendors for developing products whose greenhouse gas emissions are below the standards;

(5) the provision of grants to defer a vendor's cost to obtain environmental product declarations;

(6) how to ensure that lowering environmental product declaration values does not negatively impact the durability or longevity of construction materials or built structures;

(7) how to create and manage a database for environmental product declaration data that is consistent with data governance procedures of the state and is compatible for data sharing with other states and federal agencies;

(8) how to account for differences among geographical regions with respect to the availability of covered materials, fuel, and other necessary resources, and the quantity of covered materials that the department uses or plans to use;

(9) coordinating with the federal Buy Clean Task Force established under Executive Order 14057 and representatives of the United States Departments of Commerce, Energy, Housing and Urban Development, and Transportation; Environmental Protection Agency; General Services Administration; White House Office of Management and Budget; and the White House Domestic Climate Policy Council;

(10) how the issues in clauses (1) to (9) are addressed by existing programs in other states and countries; and

(11) any other issues the task force deems relevant.

(c) The task force shall make recommendations to the commissioners of administration and transportation regarding:

(1) how to implement requirements that maximum global warming impacts for eligible materials be integrated into the bidding process for eligible projects;

(2) incentive structures that can be included in bidding processes to encourage the use of materials whose global warming potential is below the maximum established under subdivision 2;

(3) how a successful bidder for a contract notifies the commissioner of the specific environmental product declaration for a material used on a project;

(4) a process for waiving the requirements to procure materials below the maximum global warming potential resulting from product supply problems, geographic impracticability, or financial hardship;

(5) a system for awarding grants to manufacturers of eligible materials located in Minnesota to offset the cost of obtaining environmental product declarations or otherwise collect environmental product declaration data from manufacturers based in Minnesota;

(6) whether to use an industry average or a different method to set the maximum allowable global warming potential, or whether that average could be used for some materials but not others; and

(7) any other items the task force deems necessary in order to implement this section.

(d) Members of the task force must include but are not limited to representatives of:

(1) the Departments of Administration and Transportation;

(2) the Center for Sustainable Building Research at the University of Minnesota;

(3) the Aggregate and Ready Mix Association of Minnesota;

(4) the Concrete Paving Association of Minnesota;

(5) the Minnesota Asphalt Pavement Association;

(6) the Minnesota Board of Engineering;

(7) the Minnesota iron mining industry;

(8) building and transportation construction firms;

(9) the American Institute of Steel Construction;

(10) the Institute of Scrap Metal Recycling Industries;

(11) suppliers of eligible materials;

(12) organized labor in the construction trades;

(13) organized labor in the manufacturing or industrial sectors;

(14) environmental advocacy organizations; and

(15) environmental justice organizations.

(e) The Department of Administration must provide meeting space and serve as staff to the task force.

(f) The commissioner of administration or the commissioner's designee shall serve as chair of the task force. The task force must meet at least four times annually and may convene additional meetings at the call of the chair.

(g) The commissioner of administration shall summarize the findings and recommendations of the task force in a report submitted to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over state government, transportation, and energy no later than December 1, 2025, and annually thereafter for as long as the task force continues its operations.

(h) The task force is subject to section 15.059, subdivision 6.

(i) Meetings of the task force are subject to chapter 13D.

(j) The task force expires on January 1, 2029.

Subd. 6. **Environmental product declarations; grant program.** A grant program is established in the Department of Administration to award grants to assist manufacturers to obtain environmental product declarations or otherwise collect environmental product declaration data from manufacturers in Minnesota. The commissioner of administration shall develop procedures to process and evaluate grant applications, and to make grant awards. Grant applicants must submit an application to the commissioner on a form prescribed by the commissioner. The commissioner shall act as fiscal agent for the grant program and is responsible for receiving and reviewing grant applications and awarding grants under this subdivision.

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

Sec. 2. Minnesota Statutes 2022, section 16B.325, subdivision 2, is amended to read:

Subd. 2. **Lowest possible cost; energy conservation.** The guidelines must:

(1) focus on achieving the lowest possible lifetime cost, considering both construction and operating costs, for new buildings and major renovations, ~~and;~~

(2) allow for ~~changes in the guidelines~~ revisions that encourage continual energy conservation improvements in new buildings and major renovations. ~~The guidelines shall;~~

(3) define "major renovations" for purposes of this section. ~~The definition may not allow "major renovations" to encompass not less than 10,000 square feet or to encompass not less than the replacement of the mechanical, ventilation, or cooling system of the a building or a building section of the building. The design guidelines must;~~

(4) establish sustainability guidelines that include air quality and lighting standards and that create and maintain a healthy environment and facilitate productivity improvements;

(5) establish resiliency guidelines to encourage design that allows buildings to adapt to and accommodate projected climate-related changes that are reflected in both acute events and chronic trends, including but not limited to changes in temperature and precipitation levels;

(6) specify ways to reduce material costs; and ~~must~~

(7) consider the long-term operating costs of the building, including the use of renewable energy sources and distributed electric energy generation that uses a renewable source or natural gas or a fuel that is as clean or cleaner than natural gas.

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

Sec. 3. Minnesota Statutes 2022, section 16C.135, subdivision 3, is amended to read:

Subd. 3. **Vehicle purchases.** (a) Consistent with section 16C.137, subdivision 1, when purchasing a motor vehicle for the enterprise fleet or for use by an agency, the commissioner or the agency shall purchase ~~a motor vehicle that is capable of being powered by cleaner fuels, or a motor vehicle powered by electricity or by a combination of electricity and liquid fuel, if the total life-cycle cost of ownership is less than or comparable to that of other vehicles and if the vehicle is capable~~ the motor vehicle according to the following vehicle preference order:

(1) an electric vehicle;

(2) a hybrid electric vehicle;

(3) a vehicle capable of being powered by cleaner fuels; and

(4) a vehicle powered by gasoline or diesel fuel.

(b) The commissioner may only reject a vehicle that is higher on the vehicle preference order if:

(1) the vehicle type is incapable of carrying out the purpose for which it is purchased; or

(2) the total life-cycle cost of ownership of a preferred vehicle type is more than ten percent higher than the next vehicle type in the vehicle preference order.

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

Sec. 4. Minnesota Statutes 2022, section 16C.137, subdivision 1, is amended to read:

Subdivision 1. **Goals and actions.** Each state department must, whenever legally, technically, and economically feasible, subject to the specific needs of the department and responsible management of agency finances:

(1) ensure that all new on-road vehicles ~~purchased~~, excluding emergency and law enforcement vehicles, are purchased in conformity with the vehicle preference order established in section 16C.135, subdivision 3;

(i) use "cleaner fuels" as that term is defined in section 16C.135, subdivision 1;

(ii) ~~have fuel efficiency ratings that exceed 30 miles per gallon for city usage or 35 miles per gallon for highway usage, including but not limited to hybrid electric cars and hydrogen-powered vehicles; or~~

(iii) are powered solely by electricity;

(2) increase its use of renewable transportation fuels, including ethanol, biodiesel, and hydrogen from agricultural products; and

(3) increase its use of web-based Internet applications and other electronic information technologies to enhance the access to and delivery of government information and services to the public, and reduce the reliance on the department's fleet for the delivery of such information and services.

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

Sec. 5. Minnesota Statutes 2022, section 116C.779, subdivision 1, is amended to read:

Subdivision 1. **Renewable development account.** (a) The renewable development account is established as a separate account in the special revenue fund in the state treasury. Appropriations and transfers to the account shall be credited to the account. Earnings, such as interest, dividends, and any other earnings arising from assets of the account, shall be credited to the account. Funds remaining in the account at the end of a fiscal year are not canceled to the general fund but remain in the account until expended. The account shall be administered by the commissioner of management and budget as provided under this section.

(b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating plant must transfer all funds in the renewable development account previously established under this subdivision and managed by the public utility to the renewable development account established in paragraph (a). Funds awarded to grantees in previous grant cycles that have not yet been expended and unencumbered funds required to be paid in calendar year 2017 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, are not subject to transfer under this paragraph.

(c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating plant must transfer to the renewable development account \$500,000 each year for each dry cask containing spent fuel that is located at the Prairie Island power plant for each year the plant is in operation, and \$7,500,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any part of a year. The total amount transferred annually under this paragraph must be reduced by \$3,750,000.

(d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing each January 15 thereafter, the public utility that owns the Monticello nuclear generating plant must transfer to the renewable development account \$350,000 each year for each dry cask containing spent fuel that is located at the Monticello nuclear power plant for each year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for any part of a year.

(e) Each year, the public utility shall withhold from the funds transferred to the renewable development account under paragraphs (c) and (d) the amount necessary to pay its obligations under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, for that calendar year.

(f) If the commission approves a new or amended power purchase agreement, the termination of a power purchase agreement, or the purchase and closure of a facility under section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity, the public utility subject to this section shall enter into a contract with the city in which the poultry litter plant is located to provide grants to the city for the purposes of economic development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid by the public utility from funds withheld from the transfer to the renewable development account, as provided in paragraphs (b) and (e).

(g) If the commission approves a new or amended power purchase agreement, or the termination of a power purchase agreement under section 216B.2424, subdivision 9, with an entity owned or controlled, directly or indirectly, by two municipal utilities located north of Constitutional Route No. 8, that was previously used to meet the biomass mandate in section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a grant contract with such entity to provide \$6,800,000 per year for five years, commencing 30 days after the commission approves the new or amended power purchase agreement, or the termination of the power purchase agreement, and on each June 1 thereafter through 2021, to assist the transition required by the new, amended, or terminated power purchase agreement. The grant shall be paid by the public utility from funds withheld from the transfer to the renewable development account as provided in paragraphs (b) and (e).

(h) The collective amount paid under the grant contracts awarded under paragraphs (f) and (g) is limited to the amount deposited into the renewable development account, and its predecessor, the renewable development account, established under this section, that was not required to be deposited into the account under Laws 1994, chapter 641, article 1, section 10.

(i) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued facility, the commission shall require the public utility to pay \$7,500,000 for the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello facility for any year in which the commission finds, by the preponderance of the evidence, that the public utility did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a permanent or interim storage site out of the state. This determination shall be made at least every two years.

(j) Funds in the account may be expended only for any of the following purposes:

- (1) to stimulate research and development of renewable electric energy technologies;
- (2) to encourage grid modernization, including, but not limited to, projects that implement electricity storage, load control, and smart meter technology; and
- (3) to stimulate other innovative energy projects that reduce demand and increase system efficiency and flexibility.

Expenditures from the fund must benefit Minnesota ratepayers receiving electric service from the utility that owns a nuclear-powered electric generating plant in this state or the Prairie Island Indian community or its members.

The utility that owns a nuclear generating plant is eligible to apply for grants under this subdivision.

(k) For the purposes of paragraph (j), the following terms have the meanings given:

(1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph (c), clauses (1), (2), (4), and (5); and

(2) "grid modernization" means:

(i) enhancing the reliability of the electrical grid;

(ii) improving the security of the electrical grid against cyberthreats and physical threats; and

(iii) increasing energy conservation opportunities by facilitating communication between the utility and its customers through the use of two-way meters, control technologies, energy storage and microgrids, technologies to enable demand response, and other innovative technologies.

(l) A renewable development account advisory group that includes, among others, representatives of the public utility and its ratepayers, and includes at least one representative of the Prairie Island Indian community appointed by that community's tribal council, shall develop recommendations on account expenditures. The advisory group must design a request for proposal and evaluate projects submitted in response to a request for proposals. The advisory group must utilize an independent third-party expert to evaluate proposals submitted in response to a request for proposal, including all proposals made by the public utility. A request for proposal for research and development under paragraph (j), clause (1), may be limited to or include a request to higher education institutions located in Minnesota for multiple projects authorized under paragraph (j), clause (1). The request for multiple projects may include a provision that exempts the projects from the third-party expert review and instead provides for project evaluation and selection by a merit peer review grant system. In the process of determining request for proposal scope and subject and in evaluating responses to request for proposals, the advisory group must strongly consider, where reasonable:

(1) potential benefit to Minnesota citizens and businesses and the utility's ratepayers; and

(2) the proposer's commitment to increasing the diversity of the proposer's workforce and vendors.

(m) The advisory group shall submit funding recommendations to the public utility, which has full and sole authority to determine which expenditures shall be submitted by the advisory group to the legislature. The commission may approve proposed expenditures, may disapprove proposed expenditures that it finds not to be in compliance with this subdivision or otherwise not in the public interest, and may, if agreed to by the public utility, modify proposed expenditures. The commission shall, by order, submit its funding recommendations to the legislature as provided under paragraph (n).

(n) The commission shall present its recommended appropriations from the account to the senate and house of representatives committees with jurisdiction over energy policy and finance annually by February 15. Expenditures from the account must be appropriated by law. In enacting appropriations from the account, the legislature:

(1) may approve or disapprove, but may not modify, the amount of an appropriation for a project recommended by the commission; and

(2) may not appropriate money for a project the commission has not recommended funding.

(o) A request for proposal for renewable energy generation projects must, when feasible and reasonable, give preference to projects that are most cost-effective for a particular energy source.

(p) The advisory group must annually, by February 15, report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy policy on projects funded by the account for the prior year and all previous years. The report must, to the extent possible and reasonable, itemize the actual and projected financial benefit to the public utility's ratepayers of each project.

(q) By February 1, 2018, and each February 1 thereafter, the commissioner of management and budget shall submit a written report regarding the availability of funds in and obligations of the account to the chairs and ranking minority members of the senate and house committees with jurisdiction over energy policy and finance, the public utility, and the advisory group.

(r) A project receiving funds from the account must produce a written final report that includes sufficient detail for technical readers and a clearly written summary for nontechnical readers. The report must include an evaluation of the project's financial, environmental, and other benefits to the state and the public utility's ratepayers. A project receiving funds from the account must submit a report that meets the requirements of section 216C.51, subdivisions 3 and 4, each year the project funded by the account is in progress.

(s) Final reports, any mid-project status reports, and renewable development account financial reports must be posted online on a public website designated by the commissioner of commerce.

(t) All final reports must acknowledge that the project was made possible in whole or part by the Minnesota renewable development account, noting that the account is financed by the public utility's ratepayers.

(u) Of the amount in the renewable development account, priority must be given to making the payments required under section 216C.417.

(v) Construction projects receiving funds from this account are subject to the requirement to pay 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.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to construction contracts entered into on or after that date.

Sec. 6. Minnesota Statutes 2022, section 116C.7792, is amended to read:

116C.7792 SOLAR ENERGY PRODUCTION INCENTIVE PROGRAM.

(a) The utility subject to section 116C.779 shall operate a program to provide solar energy production incentives for solar energy systems of no more than a total aggregate nameplate capacity of 40 kilowatts alternating current per premise. The owner of a solar energy system installed before June 1, 2018, is eligible to receive a production incentive under this section for any additional solar

energy systems constructed at the same customer location, provided that the aggregate capacity of all systems at the customer location does not exceed 40 kilowatts.

(b) The program is funded by money withheld from transfer to the renewable development account under section 116C.779, subdivision 1, paragraphs (b) and (e). Program funds must be placed in a separate account for the purpose of the solar energy production incentive program operated by the utility and not for any other program or purpose.

(c) Funds allocated to the solar energy production incentive program in 2019 and 2020 remain available to the solar energy production incentive program.

(d) The following amounts are allocated to the solar energy production incentive program:

(1) \$10,000,000 in 2021;

(2) \$10,000,000 in 2022;

(3) \$5,000,000 in 2023; ~~and~~

(4) ~~\$5,000,000~~ \$11,250,000 in 2024; and

(5) \$6,250,000 in 2025.

(e) Notwithstanding the Department of Commerce's November 14, 2018, decision in Docket No. E002/M-13-1015 regarding operation of the utility's solar energy production incentive program, half of the amounts allocated each year under paragraph (d), clauses (3), (4), and (5), must be reserved for solar energy systems whose installation meets the eligibility standards for the low-income program established in the November 14, 2018, decision or successor decisions of the department. All other program operations of the solar energy production incentive program are governed by the provisions of the November 14, 2018, decision or successor decisions of the department.

~~(e)~~ (f) Funds allocated to the solar energy production incentive program that have not been committed to a specific project at the end of a program year remain available to the solar energy production incentive program.

~~(f)~~ (g) Any unspent amount remaining on January 1, ~~2025~~ 2028, must be transferred to the renewable development account.

~~(g)~~ (h) A solar energy system receiving a production incentive under this section must be sized to less than 120 percent of the customer's on-site annual energy consumption when combined with other distributed generation resources and subscriptions provided under section 216B.1641 associated with the premise. The production incentive must be paid for ten years commencing with the commissioning of the system.

~~(h)~~ (i) The utility must file a plan to operate the program with the commissioner of commerce. The utility may not operate the program until it is approved by the commissioner. A change to the program to include projects up to a nameplate capacity of 40 kilowatts or less does not require the utility to file a plan with the commissioner. Any plan approved by the commissioner of commerce must not provide an increased incentive scale over prior years unless the commissioner demonstrates that changes in the market for solar energy facilities require an increase.

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

Sec. 7. **[123B.662] DEFINITIONS.**

Subdivision 1. **General.** For purposes of this section and section 123B.663, the terms in this section have the meanings given unless the language or context clearly indicates that a different meaning is intended.

Subd. 2. **ANSI.** "ANSI" means American National Standards Institute.

Subd. 3. **ASHRAE.** "ASHRAE" means American Society of Heating Refrigeration Air Conditioning Engineers.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of commerce or the commissioner's representative.

Subd. 5. **Eligible entity.** "Eligible entity" means a public school board operating within the state of Minnesota.

Subd. 6. **HVAC.** "HVAC" means heating, ventilation, and air conditioning.

Subd. 7. **Licensed professional engineer.** "Licensed professional engineer" means a professional engineer who holds an active license issued under chapter 326, and is in good standing with and not subject to any disciplinary or other actions by the Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience, and Interior Design.

Subd. 8. **MERV.** "MERV" means minimum efficiency reporting value as established by ASHRAE Standard 52.2-2017 Method of Testing General Ventilation Air-Cleaning Devices for Removal Efficiency by Particle Size.

Subd. 9. **Program.** "Program" means the air ventilation program.

Subd. 10. **Registered apprenticeship program.** "Registered apprenticeship program" means an apprenticeship program that is registered under chapter 178 or Code of Federal Regulations, title 29, part 29.

Subd. 11. **Skilled and trained workforce.** "Skilled and trained workforce" means a workforce that is paid the prevailing wage rate, as defined in section 177.42, subdivision 6, for the work, and of which at least 80 percent of the construction workers are either registered in or graduates of a registered apprenticeship program for the applicable occupation.

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

Sec. 8. **[123B.663] AIR VENTILATION PILOT PROGRAM GRANTS AND GUIDELINES.**

Subdivision 1. **Grant program establishment.** The Department of Commerce must establish and administer an air ventilation program to award grants to eligible entities under this section.

Subd. 2. **Air ventilation program account; appropriation.** (a) An air ventilation program account is created in the special revenue fund of the state treasury. The commissioner must credit

to the account appropriations and transfers made to the account. Earnings, such as interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money remaining in the account at the end of a fiscal year does not cancel to the general fund but remains available until expended. The commissioner is the fiscal agent and must manage the account.

(b) Money in the account is appropriated to the commissioner to pay for grants issued under the program and the reasonable costs incurred by the commissioner to administer the program.

Subd. 3. **Grant awards; priorities; maximums.** (a) The commissioner may award grants under the program for the following activities:

(1) completing a heating, ventilation, and air conditioning assessment report;

(2) HVAC testing, adjusting, and balancing work;

(3) ventilation equipment upgrades, replacements, or other measures recommended by a heating, ventilation, and air conditioning assessment report;

(4) work on an HVAC system to improve health, safety, energy, or system efficiency, or to reduce greenhouse gas emissions from the system; and

(5) other HVAC projects that have not already been approved under section 123B.595.

(b) The commissioner must prioritize grants that give direct support to schools and school children in communities with high rates of poverty as determined by receipt of federal Title I funding.

(c) A grant under the program may be used to reimburse an eligible entity for no more than 50 percent of its costs for work described in paragraph (a) and must not exceed a total of \$50,000 per school.

Subd. 4. **Administration.** (a) The commissioner must:

(1) adopt guidelines for the air ventilation program no later than October 1, 2023;

(2) establish the timing of grant funding;

(3) ensure that the program is operating and accepting applications for grants by March 31, 2024; and

(4) provide technical assistance to eligible entities.

(b) The commissioner may modify the technical and reporting requirements of the program as necessary to comply with current COVID-19 guidance or any other applicable guidance to achieve the intent of the program and to ensure consistency with related requirements and codes.

Subd. 5. **Application process.** An eligible entity must apply to the commissioner for a grant on behalf of a school on a form prescribed by the commissioner. The form must include, at a minimum, the following information:

(1) a plan to complete a heating, ventilation, and air conditioning assessment report by a skilled and trained workforce; and

(2) an estimate of total project costs and funding needed to conduct the assessment and subsequent work.

Subd. 6. **Payment conditions.** The commissioner may reimburse expenses incurred by the eligible entity while under contract with the department upon receipt of the following:

(1) a report, verified by a licensed professional engineer, that includes costs of adjustments or repairs necessary to meet minimum ventilation and filtration requirements and that determines whether any cost-effective energy efficiency or electrification upgrades or replacements are warranted or recommended;

(2) an HVAC verification report that includes the name and address of the school facility and individual or contractor preparing and certifying the report and a description of the assessment, maintenance, adjustment, repair, upgrade, and replacement activities and outcomes; and

(3) verification that the eligible entity has complied with all requirements. Verification must include:

(i) documentation that either MERV 13 filters have been installed or verification that the maximum MERV-rated filter that the system is able to effectively handle has been installed;

(ii) documentation of the MERV rating;

(iii) the verified ventilation rates for occupied areas of the school and whether those rates meet the requirements set forth in ANSI/ASHRAE Standard 62.1, with an accompanying explanation for any ventilation rates that do not meet applicable requirements documenting why the current system is unable to meet requirements;

(iv) the verified exhaust for occupied areas and whether those rates meet the requirements set forth in the system design intent;

(v) documentation of system deficiencies;

(vi) recommendations for additional maintenance, replacement, or upgrades to improve energy efficiency, safety, or performance, or reduce greenhouse gas emissions;

(vii) documentation of initial operating verifications, adjustments, and final operating verifications;

(viii) documentation of any adjustments or repairs performed;

(ix) verification of carbon dioxide monitors, if required, including correct installation and operation according to regulations;

(x) make and model of monitors;

(xi) verification of the contractor's name; and

(xii) verification that all construction work has been performed by a skilled and trained workforce.

Subd. 7. **Use of federal funds.** An eligible entity may utilize available matching funds from federal programs in conjunction with a grant awarded under this section to increase funding amounts.

Subd. 8. **HVAC report.** An eligible entity that receives a grant under the program must maintain a copy of the HVAC verification report described in subdivision 6, clause (2), and must make the report available to students, parents, school personnel, and any member of the public upon request.

Subd. 9. **Prevailing wage.** All work for which reimbursement is sought through a grant under the program that is performed after conducting a heating, ventilation, and air conditioning assessment must be performed by a skilled and trained workforce. Any project awarded a grant under the program is subject to the requirements and enforcement provisions of sections 177.27, 177.30, 177.32, 177.41 to 177.435, 177.44, and 177.45.

Sec. 9. Minnesota Statutes 2022, section 168.27, is amended by adding a subdivision to read:

Subd. 2a. **Dealer training; electric vehicles.** (a) A new motor vehicle dealer licensed under this chapter that operates under an agreement or franchise from a manufacturer and sells electric vehicles must maintain at least one employee who is certified as having completed a training course offered by a Minnesota motor vehicle dealership association that addresses at least the following elements:

- (1) fundamentals of electric vehicles;
- (2) electric vehicle charging options and costs;
- (3) publicly available electric vehicle incentives;
- (4) projected maintenance and fueling costs for electric vehicles;
- (5) reduced tailpipe emissions, including greenhouse gas emissions, produced by electric vehicles;
- (6) the impacts of Minnesota's cold climate on electric vehicle operation; and
- (7) best practices to sell electric vehicles.

(b) For the purposes of this section, "electric vehicle" has the meaning given in section 169.011, subdivision 26a, paragraphs (a) and (b), clause (3).

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

Sec. 10. Minnesota Statutes 2022, section 216B.096, subdivision 11, is amended to read:

Subd. 11. **Reporting.** Annually on ~~November 1~~ October 15, a utility must electronically file with the commission a report, in a format specified by the commission, specifying the number of utility heating service customers whose service is disconnected or remains disconnected for nonpayment as of September 15 and October 1 ~~and October 15~~. If customers remain disconnected on October 15, a utility must file a report each week between ~~November 1~~ October 15 and the end of the cold weather period specifying:

(1) the number of utility heating service customers that are or remain disconnected from service for nonpayment; and

(2) the number of utility heating service customers that are reconnected to service each week. The utility may discontinue weekly reporting if the number of utility heating service customers that are or remain disconnected reaches zero before the end of the cold weather period.

The data reported under this subdivision are presumed to be accurate upon submission and must be made available through the commission's electronic filing system.

Sec. 11. Minnesota Statutes 2022, section 216B.16, subdivision 10, is amended to read:

Subd. 10. **Intervenor compensation.** (a) A nonprofit organization or an individual granted formal intervenor status by the commission is eligible to receive compensation.

(b) The commission may order a utility to compensate all or part of an eligible intervenor's reasonable costs of participation in a general rate case that comes before the commission when the commission finds that the intervenor has materially assisted the commission's deliberation and when a lack of compensation would present financial hardship to the intervenor. Compensation may not exceed \$50,000 for a single intervenor in any proceeding. For the purpose of this subdivision, "materially assisted" means that the intervenor's participation and presentation was useful and seriously considered, or otherwise substantially contributed to the commission's deliberations in the proceeding.

(c) In determining whether an intervenor has materially assisted the commission's deliberation, the commission must consider, among other factors, whether:

(1) the intervenor represented an interest that would not otherwise have been adequately represented;

(2) the evidence or arguments presented or the positions taken by the intervenor were an important factor in producing a fair decision;

(3) the intervenor's position promoted a public purpose or policy;

(4) the evidence presented, arguments made, issues raised, or positions taken by the intervenor would not have been a part of the record without the intervenor's participation; and

(5) the administrative law judge or the commission adopted, in whole or in part, a position advocated by the intervenor.

(d) In determining whether the absence of compensation would present financial hardship to the intervenor, the commission must consider:

(1) whether the costs presented in the intervenor's claim reflect reasonable fees for attorneys and expert witnesses and other reasonable costs; and

(2) the ratio between the costs of intervention and the intervenor's unrestricted funds.

(e) An intervenor seeking compensation must file a request and an affidavit of service with the commission, and serve a copy of the request on each party to the proceeding. The request must be filed 30 days after the later of (1) the expiration of the period within which a petition for rehearing, amendment, vacation, reconsideration, or reargument must be filed or (2) the date the commission issues an order following rehearing, amendment, vacation, reconsideration, or reargument.

(f) The compensation request must include:

(1) the name and address of the intervenor or representative of the nonprofit organization the intervenor is representing;

(2) proof of the organization's nonprofit, tax-exempt status;

(3) the name and docket number of the proceeding for which compensation is requested;

(4) a list of actual annual revenues and expenses of the organization the intervenor is representing for the preceding year and projected revenues, revenue sources, and expenses for the current year;

(5) the organization's balance sheet for the preceding year and a current monthly balance sheet;

(6) an itemization of intervenor costs and the total compensation request; and

(7) a narrative explaining why additional organizational funds cannot be devoted to the intervention.

(g) Within 30 days after service of the request for compensation, a party may file a response, together with an affidavit of service, with the commission. A copy of the response must be served on the intervenor and all other parties to the proceeding.

(h) Within 15 days after the response is filed, the intervenor may file a reply with the commission. A copy of the reply and an affidavit of service must be served on all other parties to the proceeding.

(i) If additional costs are incurred as a result of additional proceedings following the commission's initial order, the intervenor may file an amended request within 30 days after the commission issues an amended order. Paragraphs (e) to (h) apply to an amended request.

(j) The commission must issue a decision on intervenor compensation within 60 days of a filing by an intervenor.

(k) A party may request reconsideration of the commission's compensation decision within 30 days of the decision.

(l) If the commission issues an order requiring payment of intervenor compensation, the utility that was the subject of the proceeding must pay the compensation to the intervenor, and file with the commission proof of payment, within 30 days after the later of (1) the expiration of the period within which a petition for reconsideration of the commission's compensation decision must be filed or (2) the date the commission issues an order following reconsideration of its order on intervenor compensation.

(m) The implementation and enforcement of this subdivision is suspended while section 216B.631 is effective.

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

Sec. 12. **[216B.1615] ELECTRIC VEHICLE DEPLOYMENT PROGRAM.**

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

(b) "Battery exchange station" means a physical location deploying equipment that enables a used electric vehicle battery to be removed and exchanged for a fresh electric vehicle battery.

(c) "Electric vehicle" means any device or contrivance that transports persons or property and is capable of being powered by an electric motor drawing current from rechargeable storage batteries, fuel cells, or other portable sources of electricity. Electric vehicle includes but is not limited to:

(1) an electric vehicle, as defined in section 169.011, subdivision 26a;

(2) an electric-assisted bicycle, as defined in section 169.011, subdivision 27;

(3) an off-road vehicle, as defined in section 84.797, subdivision 7;

(4) a motorboat, as defined in section 86B.005, subdivision 9; or

(5) an aircraft, as defined in section 360.013, subdivision 37.

(d) "Electric vehicle charging station" means a physical location deploying equipment that:

(1) transfers electricity to an electric vehicle battery;

(2) dispenses hydrogen into an electric vehicle powered by a fuel cell;

(3) exchanges electric vehicle batteries; or

(4) provides other equipment used to charge or fuel electric vehicles.

(e) "Electric vehicle infrastructure" means electric vehicle charging stations and any associated machinery, equipment, and infrastructure necessary for a public utility to supply electricity or hydrogen to an electric vehicle charging station and to support electric vehicle operation.

(f) "Fuel cell" means a cell that converts the chemical energy of hydrogen directly into electricity through electrochemical reactions.

(g) "Government entity" means the state, a state agency, or a political subdivision, as defined in section 13.02, subdivision 11.

(h) "Motor fuel" has the meaning given in section 296A.01, subdivision 33.

(i) "Public utility" has the meaning given in section 216B.02, subdivision 4.

Subd. 2. **Transportation electrification plan; contents.** (a) By November 1, 2023, and periodically as ordered by the commission, but at least every four years thereafter, a public utility must file a transportation electrification plan with the commission that may include but is not limited to elements that:

(1) maximize the overall benefits of electric vehicles and other electrified transportation while minimizing overall costs; and

(2) promote the:

(i) purchase of electric vehicles by the public utility's customers;

(ii) deployment of electric vehicle infrastructure in the public utility's service territory; and

(iii) development of partnerships, including with establishments that currently retail automotive fuel, in order to increase access to electric vehicle charging stations.

(b) A transportation electrification plan may include but is not limited to the following elements:

(1) programs to educate and increase the awareness and benefits of electric vehicles and electric vehicle charging equipment among individuals, electric vehicle dealers, single-family and multifamily housing developers and property management companies, building owners and tenants, vehicle service stations, vehicle fleet owners and managers, and other potential users of electric vehicles;

(2) investments and customer incentives offered by the public utility to support transportation electrification across all customer classes, including but not limited to investments and customer incentives to facilitate:

(i) the deployment of all types of electric vehicles, and the electric vehicle infrastructure and other electric utility infrastructure required to support them;

(ii) widespread access to publicly available and conveniently located electric vehicle charging stations, including through partnerships between public utilities and establishments that retail automotive fuel, and any Minnesota trade association predominantly composed of establishments that retail automotive fuel, provided that the establishments:

(A) collaborate with the public utility to determine optimal charging locations;

(B) operate 24 hours per day and are staffed at least 14 hours per day excluding public holidays; and

(C) assume charging station operating and maintenance costs, while maintaining operating standards in a safe and efficient manner consistent with industry standards; and

(iii) the electrification of public transit and vehicle fleets owned or operated by a government entity;

(3) research and demonstration projects to increase access to electricity as a transportation fuel, minimize the system costs of electric transportation, and inform future transportation electrification plans;

(4) rate structures or programs that:

(i) incentivize electric vehicle charging at times of day that optimize electric grid operation through the deployment of time-varying rates and charging optimization programs;

(ii) are transparent to a charging customer and an owner of electric vehicle charging stations; and

(iii) ensure that the rates, terms, and conditions governing the operation of electric vehicle charging stations are uniform throughout a public utility's service area;

(5) programs targeting transportation electrification in low- and moderate-income communities and in neighborhoods most affected by transportation-related air emissions;

(6) proposals to expedite commission consideration of program adjustments requested by the public utility; and

(7) proposals to share information and results from transportation electrification projects with stakeholders to promote effective electrification in all areas of the state.

(c) A transportation electrification plan may include planned upgrades to and investments in a public utility's distribution system that are necessary to accommodate future growth in transportation electrification and support the plan's proposed programs and activities.

Subd. 3. **Transportation electrification plan; review and implementation.** The commission may approve, modify, or reject a transportation electrification plan. When reviewing a transportation electrification plan, the commission must consider whether the programs, investments, and expenditures as a whole are reasonable and in the public interest, and are reasonably expected to:

(1) improve the operation of the electric grid;

(2) increase access to the use of electricity as a transportation fuel for all customers, including those in low- and moderate-income communities, rural communities, and communities most affected by air emissions from the transportation sector;

(3) increase access to publicly available electric vehicle charging for all types of electric vehicles;

(4) support the electrification of medium-duty and heavy-duty vehicles and associated charging infrastructure;

(5) reduce statewide greenhouse gas emissions, as defined in section 216H.01, and emissions of other air pollutants that impair the environment and public health;

(6) stimulate nonutility investment and the creation of high-quality jobs for local workers;

(7) educate the public about the benefits of electric vehicles and related infrastructure;

(8) be transparent and incorporate reasonable public reporting of program activities, consistent with existing technology and data capabilities, to inform program design and commission policy with respect to electric vehicles;

(9) reasonably balance the benefits of ratepayer funded investments in transportation electrification and impacts on utility rates; and

(10) appropriately balance the participation of public utilities and private enterprise in the market for transportation electrification and related services.

Subd. 4. **Cost recovery.** Notwithstanding any other provision of this chapter, the commission may approve cost recovery under section 216B.16, including an appropriate rate of return, of any prudent and reasonable investments made or expenses incurred by a public utility, including rebates for the installation of electric vehicle infrastructure, to administer and implement an approved transportation electrification plan.

Subd. 5. **Pending filings.** This section shall not apply to any proposals designed to satisfy the objectives established in subdivision 2 that are part of a proceeding that is pending before the commission as of April 1, 2023. In those proceedings, the commission shall have full authority and discretion to accept, modify, or reject the utility's proposals in accordance with the provisions of this chapter extant at the time the public utility's proposals were initially filed in the proceeding. In its filing due November 1, 2023, a public utility that is a party in such a pending proceeding shall not be required under this section to file proposals to satisfy the objectives of subdivision 2 in addition to those accepted or modified by the commission in the pending proceeding.

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

Sec. 13. Minnesota Statutes 2022, section 216B.164, is amended by adding a subdivision to read:

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

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

Sec. 14. Minnesota Statutes 2022, section 216B.1641, is amended to read:

216B.1641 COMMUNITY SOLAR GARDEN.

Subdivision 1. **Legacy program.** (a) The public utility subject to section 116C.779 shall file by September 30, 2013, a plan with the commission to operate a community solar garden program which shall begin operations within 90 days after commission approval of the plan. Other public utilities may file an application at their election. The community solar garden program must be designed to offset the energy use of not less than five subscribers in each community solar garden facility of which no single subscriber has more than a 40 percent interest. The owner of the community solar garden may be a public utility or any other entity or organization that contracts to sell the output from the community solar garden to the utility under section 216B.164. There shall be no limitation on the number or cumulative generating capacity of community solar garden facilities

other than the limitations imposed under section 216B.164, subdivision 4c, or other limitations provided in law or regulations.

(b) A solar garden is a facility that generates electricity by means of a ground-mounted or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the electricity generated in proportion to the size of their subscription. The solar garden must have a nameplate capacity of no more than one megawatt. Each subscription shall be sized to represent at least 200 watts of the community solar garden's generating capacity and to supply, when combined with other distributed generation resources serving the premises, no more than 120 percent of the average annual consumption of electricity by each subscriber at the premises to which the subscription is attributed.

(c) The solar generation facility must be located in the service territory of the public utility filing the plan. Subscribers must be retail customers of the public utility located in the same county or a county contiguous to where the facility is located.

(d) The public utility must purchase from the community solar garden all energy generated by the solar garden. The purchase shall be at the rate calculated under section 216B.164, subdivision 10, or, until that rate for the public utility has been approved by the commission, the applicable retail rate. A solar garden is eligible for any incentive programs offered under section 116C.7792. A subscriber's portion of the purchase shall be provided by a credit on the subscriber's bill.

(e) The commission may approve, disapprove, or modify a community solar garden program. Any plan approved by the commission must:

- (1) reasonably allow for the creation, financing, and accessibility of community solar gardens;
- (2) establish uniform standards, fees, and processes for the interconnection of community solar garden facilities that allow the utility to recover reasonable interconnection costs for each community solar garden;
- (3) not apply different requirements to utility and nonutility community solar garden facilities;
- (4) be consistent with the public interest;
- (5) identify the information that must be provided to potential subscribers to ensure fair disclosure of future costs and benefits of subscriptions;
- (6) include a program implementation schedule;
- (7) identify all proposed rules, fees, and charges; and
- (8) identify the means by which the program will be promoted.

(f) Notwithstanding any other law, neither the manager of nor the subscribers to a community solar garden facility shall be considered a utility solely as a result of their participation in the community solar garden facility.

(g) Within 180 days of commission approval of a plan under this section, a utility shall begin crediting subscriber accounts for each community solar garden facility in its service territory, and shall file with the commissioner of commerce a description of its crediting system.

(h) For the purposes of this section, the following terms have the meanings given:

(1) "subscriber" means a retail customer of a utility who owns one or more subscriptions of a community solar garden facility interconnected with that utility; and

(2) "subscription" means a contract between a subscriber and the owner of a solar garden.

(i) This subdivision applies to a community solar garden that was approved before January 1, 2024.

Subd. 2. **Definitions.** (a) For purposes of subdivisions 3 to 14, the following terms have the meanings given.

(b) "Backup subscriber" means an individual or entity that temporarily assumes all or a portion of a community solar garden subscription in the event a subscriber exits the community solar garden or is delinquent in paying the subscriber's utility bill.

(c) "Community solar garden" means a facility (1) that generates electricity by means of a ground-mounted or roof-mounted solar photovoltaic device, (2) that is owned and operated by a subscriber organization, and (3) for which subscribers receive a bill credit for the electricity generated in proportion to the size of the subscriber's subscription.

(d) "Low- to moderate-income subscriber" or "LMI subscriber" means a subscriber that, at the time the community solar garden subscription is executed, is: (1) a low-income household, as defined under section 216B.2402, subdivision 16; or (2) a household whose income is 150 percent or less of the area median household income.

(e) "Public interest subscriber" means a subscriber that demonstrates status as a public or Tribal entity, school, nonprofit organization, house of worship, or social service provider.

(f) "Subscribed energy" means electricity generated by the community solar garden that is attributable to a subscriber's subscription.

(g) "Subscriber" means a retail customer who owns one or more subscriptions of a community solar garden interconnected with the retail customer's utility.

(h) "Subscriber organization" means a developer or owner of a community solar garden.

(i) "Subscription" means a contract between a subscriber and subscriber organization.

(j) "Utility" means the public utility subject to section 116C.779.

Subd. 3. **Applicability; scope; limitation.** (a) Subdivisions 2 to 13 apply to community solar gardens approved for the program beginning January 1, 2024.

(b) Except as otherwise modified, replaced, or superseded by subdivisions 2 to 13, any commission order that applies to the legacy program under subdivision 1 applies to subdivisions 2 to 13.

(c) Notwithstanding any other law, a subscriber organization or a subscriber must not be deemed a utility solely as a result of the subscriber organization's or subscriber's participation in a community solar garden.

Subd. 4. **Community solar garden program administration.** (a) The commissioner must administer the community garden program. The commissioner must:

(1) collect and evaluate community solar garden applications from subscriber organizations;

(2) audit or verify that project eligibility criteria have been met, as necessary;

(3) pursuant to subdivision 7, allocate community solar garden capacity to approved community solar gardens, subject to the annual capacity limit;

(4) develop procedures to carry out the duties under this section, including establishing procedures and a timeline to allocate community solar garden capacity under subdivision 7; and

(5) enforce the consumer protections under subdivisions 9 to 11.

(b) The commissioner is authorized to access information regarding a subscriber's net electricity bill savings or any charges that the subscriber pays.

Subd. 5. **Application; registration.** (a) A subscriber organization must submit an application to the commissioner, on a form prescribed by the commissioner, to receive approval for a proposed community solar garden project.

(b) A community solar garden application must contain, at a minimum:

(1) a copy of a signed interconnection agreement between the subscriber organization and the utility, except that information that the subscriber organization cannot reasonably determine without approval of the proposed community solar garden is not required;

(2) a copy of any required nonministerial permits that have been approved by the local authority that has jurisdiction over the project;

(3) a copy of the community solar garden's subscription contract, including: (i) the information provided to potential subscribers that discloses future costs and benefits of subscriptions; and (ii) any rules, fees, and charges;

(4) information regarding the community solar garden's program design with respect to potential subscribers, itemized by subscriber type;

(5) proof of legally binding site control of the community solar garden's proposed location;

(6) any information necessary for the commissioner to allocate annual community solar garden program capacity under subdivision 7, paragraph (b); and

(7) any other information the commissioner deems necessary to administer the community solar garden program.

(c) The commissioner must approve a community solar garden that submits the information required under paragraph (b), unless the total annual capacity threshold has been met or the commissioner determines approving the community solar garden is not in the public interest. An application that is deemed in the public interest, but not allocated capacity in a particular program year, must be held in queue for the program year and allocated capacity if any capacity becomes available during the program year.

Subd. 6. **Eligible project; other requirements.** (a) In order to be eligible for compensation under subdivision 8, a community solar garden must: (1) be connected to the utility's distribution system; (2) have a capacity, as defined under section 216B.164, subdivision 2a, paragraph (c), of no more than five megawatts; and (3) have at least 25 individual subscribers per megawatt of generation capacity, provided that a single subscriber does not possess more than a 40 percent interest in the community solar garden's total capacity.

(b) A community solar garden subscriber must be located within the Minnesota service territory of the utility.

(c) A contractor or subcontractor that constructs or installs a community solar garden that has a capacity of at least 1 megawatt: (1) must pay no less than the prevailing wage rate, as defined in section 177.42; and (2) is subject to the requirements and enforcement provisions under sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

Subd. 7. **Annual capacity limit; allocation.** (a) Each program year the commissioner must allocate the community solar garden program's annual new capacity to eligible community solar gardens. The maximum cumulative annual capacity of new community solar gardens approved each program year under this subdivision is:

- (1) 100 megawatts in 2024, 2025, and 2026;
- (2) 80 megawatts in 2027, 2028, 2029, and 2030; and
- (3) 60 megawatts in 2031 and each year thereafter.

(b) When allocating capacity to eligible community solar gardens, the commissioner must evaluate and prioritize capacity allocation to community solar garden applicants based on information provided in the community solar garden application regarding:

(1) the degree to which subscribers, utility ratepayers, or the community surrounding the project receive the financial benefit of tax benefits and other incentives resulting from the community solar garden;

(2) the scale of financial benefits the community solar garden delivers to LMI subscribers, affordable housing residents, and public interest subscribers, as well as the number of, and project capacity attributable to, LMI subscribers, affordable housing residents, and public interest subscribers;

(3) community solar garden project ownership and financing arrangements that deliver benefits to public, nonprofit, cooperative, and Tribal entities;

(4) whether the community solar garden uses nongreenfield locations, especially rooftops, carports, or sites that contain a hazardous substance, pollutant, or contaminant;

(5) whether the community solar garden provides workforce development and apprenticeship opportunities, especially for workers who are Black, Indigenous, or Persons of Color; and

(6) the resiliency benefits the community solar garden provides to the electrical grid or the local community.

(c) The commissioner may allocate capacity to a community solar garden under this subdivision only if the application includes a subscription plan that ensures:

(1) at least 30 percent of the community solar garden's capacity is subscribed to by LMI subscribers; and

(2) at least 55 percent of the community solar garden's capacity is subscribed to by subscribers that are:

(i) LMI subscribers;

(ii) public interest subscribers; or

(iii) an affordable housing provider, as determined by the commissioner.

(d) A backup subscriber may subscribe to and receive bill credits for up to 15 percent of a community solar garden's annual capacity. In the event a community solar garden subscriber exits the community solar garden or is delinquent on the subscriber's utility bill, the backup subscriber may be automatically subscribed to up to 40 percent of the community solar garden's capacity for up to one year at the rates provided under subdivision 8, paragraph (b), clause (7).

Subd. 8. **Community solar garden compensation.** (a) A utility must purchase electricity generated by a community solar garden approved for a period of 25 years from the date the community solar garden begins operations. A utility must compensate a community solar garden using a bill credit on each individual subscriber's bill, in an amount proportional to the subscriber's share in the community solar garden.

(b) Beginning January 1, 2024, the utility must purchase energy generated by a community solar garden at the following rates provided for each subscriber type, as determined by the commission:

(1) for a LMI subscriber, the average retail rate for residential customers;

(2) for a residential subscriber that is not a LMI subscriber, 85 percent of the average retail rate for the applicable residential class customers;

(3) for master-metered affordable housing, 80 percent of the average retail rate for residential customers;

(4) for a public interest subscriber that is a small general commercial customer, 75 percent of the average retail rate for the customer's rate class;

(5) for a public interest subscriber that is a general service commercial customer, 100 percent of the average retail rate for the customer's rate class;

(6) for other commercial subscribers, 70 percent of the average retail rate for the customer's rate class;

(7) for a community solar garden with at least 50 percent total capacity subscribed to by LMI subscribers:

(i) up to one backup subscriber may receive 90 percent of the average retail rate for the regular commercial subscriber's customer class, plus additional compensation for demand charges based on 50 percent of the comparable photovoltaic demand credit rider; and

(ii) a backup subscriber that subscribes to more than 15 percent of a community solar garden's total capacity for more than 12 consecutive months, the rate provided for other commercial subscribers under clause (6); and

(8) for unsubscribed energy generated that is credited to the subscriber organization, the utility's avoided cost.

Subd. 9. **Subscriber organizations; prohibitions; requirements.** (a) A subscriber organization and a subscriber organization's marketing representatives are prohibited from, with respect to a community solar garden:

(1) checking the credit score or credit history of a new or existing residential subscriber;

(2) charging an exit fee to a residential subscriber;

(3) enrolling a subscriber without the subscriber's prior, voluntary consent;

(4) engaging in misleading or deceptive conduct; and

(5) making false or misleading representations.

(b) A subscriber organization must preserve the privacy of subscribers. Except as otherwise authorized under subdivision 4, paragraph (b), a subscriber organization must not publicly disclose a subscriber's account information, energy usage, energy data, or bill credits, unless (1) the subscriber provides express, written, informed consent that authorizes disclosure of the subscriber's information, or (2) the subscription contract otherwise authorizes disclosure of the information.

(c) A subscriber organization and a subscriber organization's marketing representatives must make reasonable efforts to provide subscribers with timely and accurate information regarding the community solar garden. The information must be provided in writing and in plain language, and must include but is not limited to information regarding rates, contract terms, termination fees, and the right to cancel a community solar garden subscription.

(d) Beginning one year after a community solar garden begins operations and annually thereafter, a subscriber organization must publish a signed and notarized report that details the community solar garden's operations for the previous 12-month period. The report must contain, at a minimum: (1) the energy produced by the community solar garden; (2) financial statements, including a balance sheet, income statement, and a sources and uses of funds statement; and (3) a list of the individuals that currently own and manage the subscriber organization. The report under this paragraph must be provided to the commissioner, on a form prescribed by the commissioner, and to each of the community solar garden's subscribers.

(e) A subscriber organization must annually publish a signed and notarized report that details the community solar garden's capacity allocated to relevant subscriber categories, including but not limited to: (1) LMI subscribers; (2) other residential subscribers; (3) affordable housing providers; (4) public interest subscribers, by type; (5) small subscriptions of up to 25 kilowatts; and (6) other subscribers, by type.

Subd. 10. **Subscriber protections.** (a) A community solar garden subscription is transferable and portable, but only within the utility's Minnesota service territory.

(b) The cost of a subscriber's community solar garden subscription must not exceed the value of the subscriber's community solar garden bill credit. For a LMI subscriber, the cost of the community solar garden subscription must not exceed 90 percent of the LMI subscriber's community solar garden bill credit and must not include any fees at the time the subscription is executed.

(c) A utility must offer consolidated billing for community solar garden subscribers so that a subscriber receives only one bill for both the subscribers's monthly electric service and the community solar garden subscription. A utility must offer consolidated billing under this paragraph for community solar garden subscribers no later than January 1, 2024. The commission may modify the date required by this paragraph if the utility demonstrates to the commission that implementing consolidated billing by January 1, 2024, is unreasonably burdensome. A subscriber may elect, but is not required, to use consolidated billing under this paragraph.

(d) A subscriber must be provided an opportunity to submit comments to the subscriber organization regarding the annual report submitted under subdivision 9, paragraph (d), regarding the accuracy and completeness of the report.

Subd. 11. **Nonsubscriber protections.** (a) A utility must exclude from the fuel adjustment charged to a utility customer the net cost of community solar garden generation under this section if the utility customer (1) receives or is eligible for bill payment assistance, and (2) does not subscribe to a community solar garden under this section.

(b) The commission must determine the net cost of community solar garden generation under this section for purposes of paragraph (a).

Subd. 12. **Noncompliance.** A community solar garden that has begun commercial operation must notify the commissioner in writing within 30 days if the community solar garden is not in compliance with subdivision 6, 7, 9 or 10, and must comply within 12 months or the commissioner must revoke the solar garden's participation in the program. Nothing in this subdivision prevents a subscriber organization from reapplying to participate in the program after revocation.

Subd. 13. **Report.** No later than January 31 each year beginning in 2025, the commissioner must prepare and submit to the legislative committees having primary jurisdiction over energy and climate policy a report that aggregates the information received in the reports under subdivision 9, paragraphs (d) and (e).

Subd. 14. **Transition from legacy program.** (a) From the effective date of this section to the date the commissioner begins allocating capacity under subdivision 7, but no later than December 31, 2023, a subscriber organization may submit a community solar garden project application to the utility for the legacy program under subdivision 1 or to the commissioner for the program under subdivisions 3 to 12.

(b) The utility administering the legacy program under subdivision 1 must act in good faith to continue processing applications for the legacy program until December 31, 2023. An application for the legacy program that is approved on or before December 31, 2023, is eligible to become a community solar garden under subdivisions 3 to 12, provided the proposed community solar garden complies with subdivisions 3 to 12.

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

Sec. 15. Minnesota Statutes 2022, section 216B.1645, subdivision 4, is amended to read:

Subd. 4. ~~Settlement with Mdewakanton Dakota Tribal Council at~~ **Payments to the Prairie Island Indian Community.** (a) The commission shall approve a rate schedule providing for the automatic adjustment of charges to recover the costs or expenses of a settlement between the public utility that owns the Prairie Island nuclear generation facility and the ~~Mdewakanton Dakota Tribal Council~~ Prairie Island Indian Community at Prairie Island, resolving outstanding disputes regarding the provisions of Laws 1994, chapter 641, article 1, section 4. The settlement must provide for annual payments, not to exceed \$2,500,000 annually, by the public utility to the Prairie Island Indian Community, to be used for, among other purposes, acquiring ~~up to 1,500 contiguous or noncontiguous acres of~~ land in Minnesota within 50 miles of the tribal community's reservation at Prairie Island to be taken into trust by the federal government for the benefit of the tribal community for housing and other residential purposes. The legislature acknowledges that the intent to purchase land by the tribe for relocation purposes is part of the settlement agreement and Laws 2003, First Special Session chapter 11. However, the state, through the governor, reserves the right to support or oppose any particular application to place land in trust status.

(b) In addition to payments required under paragraph (a), the public utility that owns the Prairie Island nuclear generating facility must make the following annual payments to the Prairie Island Indian Community:

(1) \$7,500,000 for each year the Prairie Island nuclear generating facility is in licensed operation; and

(2) \$50,000 for each dry cask or container containing spent fuel that is located at the Prairie Island nuclear generating facility, whether or not the plant is in licensed operation.

(c) The commission shall approve a rate schedule providing for the automatic adjustment of charges to retail electricity customers of the public utility that owns the Prairie Island nuclear generating facility to recover the amounts in paragraph (b), clauses (1) and (2).

(d) Paragraphs (b) and (c) apply only if the public utility that owns the Prairie Island nuclear generation facility enters into a new or amended settlement agreement with the Prairie Island Indian Community.

(e) Payments made under this subdivision may be used by the Prairie Island Indian Community for any purpose benefitting the Prairie Island Indian Community. Payments made under this subdivision shall constitute prudent operating expenses for the public utility that owns the Prairie Island nuclear generation facility, and shall constitute consideration for any amended settlement agreement entered into between the public utility and the Prairie Island Indian Community. This subdivision is intended to apply to any successors in interest or assignees of the Prairie Island nuclear generation facility and Prairie Island Independent Spent Fuel Storage Installation.

(f) The commission's approval of a certificate of need under section 216B.243 allowing for the additional storage of spent nuclear fuel necessary for the extended operation of the Prairie Island nuclear plant is effective only if the governor, on behalf of the state, and the public utility operating the Prairie Island nuclear generating plant enter into an agreement binding the parties to the required payments and payment recovery terms of paragraphs (b) and (c). The Prairie Island Indian Community is an intended beneficiary of this agreement and has standing to enforce the agreement.

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

Sec. 16. Minnesota Statutes 2022, section 216B.1691, is amended by adding a subdivision to read:

Subd. 2h. **Distributed solar energy standard.** (a) For the purposes of this subdivision, the following terms have the meanings given:

(1) "capacity" has the meaning given in section 216B.164, subdivision 2a;

(2) "industrial customer" means a retail electricity customer:

(i) whose numerical classification under the North American Industry Classification System begins with the numbers 31, 32, or 33;

(ii) that is a pipeline, as defined in section 216G.01, subdivision 3; or

(iii) that is an iron mining extraction and processing facility, including a scam mining facility, as defined in Minnesota Rules, part 6130.0100, subpart 16; and

(3) "solar energy generating system" has the meaning given in section 216E.01, subdivision 9a.

(b) In addition to the other requirements of this section, by the end of 2030, the following proportions of a public utility's total retail electric sales in Minnesota must be generated from solar energy generating systems:

(1) for a public utility with at least 200,000 retail electric customers in Minnesota, at least three percent;

(2) for a public utility with at least 100,000 but fewer than 200,000 retail electric customers in Minnesota, at least three percent; and

(3) for a public utility with fewer than 100,000 retail electric customers in Minnesota, at least one percent.

For a public utility subject to clause (2) or (3), sales to industrial customers in Minnesota must be subtracted from the utility's total retail electric sales for the purpose of calculating total retail electric sales in Minnesota.

(c) To be counted toward a public utility's standard established in paragraph (a), a solar energy generating system must:

- (1) have a capacity of ten megawatts or less;
- (2) be connected to the public utility's distribution system;
- (3) be located in the Minnesota service territory of the public utility; and
- (4) be constructed or procured after August 1, 2023.

(d) A solar energy generating system with a capacity of 100 kilowatts or more does not count toward compliance with the standard established in paragraph (a) unless the public utility verifies that construction trades workers who constructed the solar energy generating system were all paid no less than the prevailing wage rate, as defined in section 177.42, and whose employer participated in an apprenticeship program that is registered under chapter 178 or Code of Federal Regulations, title 29, part 29.

(e) A public utility shall select projects to satisfy the standard established under this subdivision through a competitive bidding process approved by the commission.

(f) The commission may modify or delay the implementation of the standard established under this subdivision in accordance with the provisions of subdivision 2b.

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

Sec. 17. Minnesota Statutes 2022, section 216B.17, subdivision 1, is amended to read:

Subdivision 1. **Investigation.** On ~~its~~ the commission's own motion or upon a complaint made against any public utility; by the governing body of any political subdivision, by another public utility, by the department, ~~or~~ by any 50 consumers of ~~the~~ a particular utility, or by a complainant under section 216B.172 that any of the rates, tolls, tariffs, charges, or schedules or any joint rate or any regulation, measurement, practice, act, or omission affecting or relating to the production, transmission, delivery, or furnishing of natural gas or electricity or any service in connection therewith is in any respect unreasonable, insufficient, or unjustly discriminatory, or that any service is inadequate or cannot be obtained, the commission shall proceed, with notice, to make such investigation as it may deem necessary. The commission may dismiss any complaint without a hearing if in its opinion a hearing is not in the public interest.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any complaint filed with the commission on or after that date.

Sec. 18. **[216B.172] CONSUMER DISPUTES.**

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

(b) "Appeal" means a request a complainant files with the commission to review and make a final decision regarding the resolution of the complainant's complaint by the consumer affairs office.

(c) "Complainant" means an individual residential customer who files with the consumer affairs office a complaint against a public utility.

(d) "Complaint" means an allegation submitted to the consumer affairs office by a complainant that a public utility's action or practice regarding billing or terms and conditions of service:

(1) violates a statute, rule, tariff, service contract, or other provision of law;

(2) is unreasonable; or

(3) has harmed or, if not addressed, harms a complainant.

Complaint does not include an objection to or a request to modify any natural gas or electricity rate contained in a tariff that has been approved by the commission. A complaint under this section is an informal complaint under Minnesota Rules, chapter 7829.

(e) "Consumer affairs office" means the staff unit of the commission that is organized to receive and respond to complaints.

(f) "Informal proceeding" has the meaning given in Minnesota Rules, part 7829.0100, subpart 8.

(g) "Public assistance" has the meaning given in section 550.37, subdivision 14.

(h) "Public utility" has the meaning given in section 216B.02, subdivision 4.

Subd. 2. **Complaint resolution procedure.** A complainant must first attempt to resolve a dispute with a public utility by filing a complaint with the consumer affairs office. The consumer affairs office must: (1) notify the complainant of the resolution of the complaint; and (2) provide written notice of (i) the complainant's right to appeal the resolution to the commission, and (ii) the steps the complainant may take to appeal the resolution. Upon request, the consumer affairs office must provide to the complainant a written notice containing the substance of and basis for the resolution. Nothing in this section affects any other rights existing under this chapter or other law.

Subd. 3. **Appeal; final commission decision.** (a) If a complainant is not satisfied with the resolution of a complaint by the consumer affairs office, the complainant may file an appeal with the commission requesting that the commission make a final decision on the complaint. The commission's response to an appeal filed under this subdivision must comply with the notice requirements under section 216B.17, subdivisions 2 to 5.

(b) Upon the commission's receipt of an appeal filed under paragraph (a), the chair of the commission or a subcommittee delegated under section 216A.03, subdivision 8, to review the resolution of the complaint must decide whether the complaint be:

(1) dismissed because there is no reasonable basis on which to proceed;

(2) resolved through an informal commission proceeding; or

(3) referred to the Office of Administrative Hearings for a contested case proceeding under chapter 14.

A decision made under this paragraph must be provided in writing to the complainant and the public utility.

(c) If the commission decides that the complaint be resolved through an informal proceeding before the commission or referred to the Office of Administrative Hearings for a contested case proceeding, the executive secretary must issue any procedural schedules, notices, or orders required to initiate an informal proceeding or a contested case.

(d) The commission's dismissal of an appeal request or a decision rendered after conducting an informal proceeding is a final decision constituting an order or determination of the commission.

Subd. 4. **Judicial review.** Notwithstanding section 216B.27, a complainant may seek judicial review in district court of an adverse final decision under subdivision 3, paragraph (b), clause (1) or (2). Judicial review of the commission's decision in a contested case referred under subdivision 3, paragraph (b), clause (3), is governed by chapter 14.

Subd. 5. **Right to service during pendency of dispute.** A public utility must continue or promptly restore service to a complainant during the pendency of an administrative or judicial procedure pursued by a complainant under this section, provided that the complainant:

(1) agrees to enter into a payment agreement under section 216B.098, subdivision 3;

(2) posts the full disputed payment in escrow;

(3) demonstrates receipt of public assistance or eligibility for legal aid services; or

(4) demonstrates the complainant's household income is at or below 50 percent of the median income in Minnesota.

Subd. 6. **Rulemaking authority.** The commission may adopt rules to carry out the purposes of this section.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any complaint filed with the commission on or after that date.

Sec. 19. Minnesota Statutes 2022, section 216B.2402, subdivision 16, is amended to read:

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

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

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

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

Sec. 20. Minnesota Statutes 2022, section 216B.2425, subdivision 3, is amended to read:

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

- (1) necessary to maintain or enhance the reliability of electric service to Minnesota consumers;
- (2) needed, applying the criteria in section 216B.243, subdivision 3; and
- (3) in the public interest, taking into account electric energy system needs and economic, environmental, and social interests affected by the project.

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

Sec. 21. Minnesota Statutes 2022, section 216B.2425, is amended by adding a subdivision to read:

Subd. 9. **Integrated distribution plan; contents.** The public utility that owns a nuclear generating plant must include the following information in the public utility's annual integrated distribution plan filed with the commission, beginning with the plan due November 1, 2023:

(1) a forecast of distribution system upgrades necessary to accommodate the interconnection of distributed generation resulting from the utility's compliance with sections 216B.1641 and 216B.1691, subdivision 2h, and other customer-sited projects, including energy storage systems;

(2) an evaluation of measures that can reduce the need for or cost of distribution system upgrades to enable the interconnection of distributed generation resources, including but not limited to the employment of smart inverters, grid management tools, distributed energy resources management tools, and energy export tariffs; and

(3) a discussion of alternative methods to allocate costs of distribution system upgrades among distributed generation owners or developers and ratepayers.

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

Sec. 22. Minnesota Statutes 2022, section 216B.243, subdivision 8, as amended by Laws 2023, chapter 7, section 23, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (1) modifying a large wind energy conversion system or a solar energy generating system that is a large energy facility to increase its efficiency without increasing its nameplate capacity;
- (2) replacing turbines in a large wind energy conversion system without increasing the nameplate capacity of the system; or
- (3) increasing the nameplate capacity of a large wind energy conversion system.

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

Sec. 23. Minnesota Statutes 2022, section 216B.50, subdivision 1, is amended to read:

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

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

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

Sec. 24. Minnesota Statutes 2022, section 216B.62, subdivision 3b, is amended to read:

Subd. 3b. **Assessment for department regional and national duties.** ~~(a)~~ In addition to other assessments in subdivision 3, the department may assess up to ~~\$500,000~~ \$1,000,000 per fiscal year to perform the duties under section 216A.07, subdivision 3a, and to conduct analysis that assesses energy grid reliability at state, regional, and national levels. The amount in this subdivision shall be assessed to energy utilities in proportion to their respective gross operating revenues from retail sales of gas or electric service within the state during the last calendar year and shall be deposited into an account in the special revenue fund and is appropriated to the commissioner of commerce for the purposes of section 216A.07, subdivision 3a. An assessment made under this subdivision is not subject to the cap on assessments provided in subdivision 3 or any other law. For the purpose of this subdivision, an "energy utility" means public utilities, generation and transmission cooperative electric associations, and municipal power agencies providing natural gas or electric service in the state.

~~(b) By February 1, 2023, the commissioner of commerce must submit a written report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over energy policy. The report must describe how the department has used utility grid assessment funding~~

~~under paragraph (a) and must explain the impact the grid assessment funding has had on grid reliability in Minnesota.~~

~~(e) This subdivision expires June 30, 2023.~~

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

Sec. 25. **[216B.631] COMPENSATION FOR PARTICIPANTS IN PROCEEDINGS.**

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

(b) "Participant" means a person who files comments or appears in a commission proceeding concerning one or more public utilities, excluding public hearings held in contested cases and commission proceedings conducted to receive general public comments.

(c) "Party" means a person by or against whom a proceeding before the commission is commenced or a person permitted to intervene in a proceeding, other than public hearings, concerning one or more public utilities.

(d) "Proceeding" means:

(1) a rate change proceeding under section 216B.16, including a request to withdraw, defer, or modify a petition to change rates;

(2) a proceeding in which the commission considers a utility request for cost recovery through general rates or riders;

(3) a proceeding in which the commission considers a determination related to ratepayer protections, service quality, or disconnection policies and practices, including but not limited to utility compliance with the requirements of sections 216B.091 to 216B.0993;

(4) a proceeding in which the commission considers determinations directly related to low-income affordability programs, including but not limited to utility compliance with the requirements of section 216B.16, subdivisions 14, 15, and 19, paragraph (a), clause (3);

(5) a proceeding related to the design or approval of utility tariffs or rates;

(6) a proceeding related to utility performance measures or incentives, including but not limited to proceedings under sections 216B.16, subdivision 19, paragraph (h); 216B.167; and 216B.1675;

(7) proceedings related to distribution system planning and grid modernization, including but not limited to proceedings in compliance with the requirements in section 216B.2425, subdivision 2, paragraph (e);

(8) investigations or inquiries initiated by the commission or the Department of Commerce; or

(9) proceedings related to utility pilot programs in which the commission considers a proposal with a proposed cost of at least \$5,000,000.

(e) "Public utility" has the meaning given in section 216B.02, subdivision 4.

Subd. 2. **Participants; eligibility.** Any of the following participants is eligible to receive compensation under this section:

(1) a nonprofit organization that:

(i) is exempt from taxation under section 501(c)(3) of the Internal Revenue Code;

(ii) is incorporated or organized in Minnesota;

(iii) is governed under chapter 317A or section 322C.1101; and

(iv) the commission determines under subdivision 3, paragraph (c), would suffer financial hardship if not compensated for the nonprofit organization's participation in the applicable proceeding;
or

(2) a Tribal government of a federally recognized Indian Tribe that is located in Minnesota.

Subd. 3. **Compensation; conditions.** (a) The commission may order a public utility to compensate all or part of a participant's reasonable costs incurred to participate in a proceeding before the commission if the participant is eligible under subdivision 2 and the commission finds:

(1) that the participant has materially assisted the commission's deliberation; and

(2) if the participant is a nonprofit organization, that the participant would suffer financial hardship if the nonprofit organization's participation in the proceeding was not compensated.

(b) In determining whether a participant has materially assisted the commission's deliberation, the commission must find that:

(1) the participant made a unique contribution to the record and represented an interest that would not otherwise have been adequately represented;

(2) the evidence or arguments presented or the positions taken by the participant were an important factor in producing a fair decision;

(3) the participant's position promoted a public purpose or policy;

(4) the evidence presented, arguments made, issues raised, or positions taken by the participant would not otherwise have been part of the record;

(5) the participant was active in any stakeholder process included in the proceeding; and

(6) the proceeding resulted in a commission order that adopted, in whole or in part, a position advocated by the participant.

(c) In determining whether a nonprofit participant has demonstrated that a lack of compensation would present financial hardship, the commission must find that the nonprofit participant:

(1) had an average annual payroll expense less than \$600,000 for participation in commission proceedings over the previous three years; and

(2) has fewer than 30 full-time equivalent employees.

(d) In reviewing a compensation request, the commission must consider whether the costs presented in the participant's claim are reasonable. If the commission determines that an eligible participant materially assisted the commission's deliberation, the commission shall award all or part of the requested compensation, up to the maximum amounts provided under subdivision 4.

Subd. 4. **Compensation; amount.** (a) Compensation must not exceed \$50,000 for a single participant in any proceeding, except that:

(1) if a proceeding extends longer than 12 months, a participant may request and be awarded compensation of up to \$50,000 for costs incurred in each calendar year; and

(2) for a contested case proceeding, a participant may request and be awarded up to \$75,000.

(b) No single participant may be awarded more than \$200,000 under this section in a single calendar year.

(c) Compensation requests from joint participants must be presented as a single request.

(d) Notwithstanding paragraphs (a) and (b), the commission must not, in any calendar year, require a single public utility to pay aggregate compensation under this section that exceeds the following amounts:

(1) \$100,000, for a public utility with up to \$300,000,000 annual gross operating revenue in Minnesota;

(2) \$275,000, for a public utility with at least \$300,000,000 but less than \$900,000,000 annual gross operating revenue in Minnesota;

(3) \$375,000, for a public utility with at least \$900,000,000 but less than \$2,000,000,000 annual gross operating revenue in Minnesota; and

(4) \$1,250,000, for a public utility with \$2,000,000,000 or more annual gross operating revenue in Minnesota.

(e) When requests for compensation from any public utility approach the limits established in paragraph (d), the commission may give priority to requests from participants that received less than \$150,000 in total compensation during the previous two years and from participants who represent residential ratepayers, particularly those residential ratepayers who the participant can demonstrate have been underrepresented in past commission proceedings.

Subd. 5. **Compensation; process.** (a) A participant seeking compensation must file a request and an affidavit of service with the commission, and serve a copy of the request on each party to the proceeding. The request must be filed no more than 30 days after the later of:

(1) the expiration of the period within which a petition for rehearing, amendment, vacation, reconsideration, or reargument must be filed; or

(2) the date the commission issues an order following rehearing, amendment, vacation, reconsideration, or reargument.

(b) A compensation request must include:

(1) the name and address of the participant or nonprofit organization the participant is representing;

(2) evidence of the organization's nonprofit, tax-exempt status, if applicable;

(3) the name and docket number of the proceeding for which compensation is requested;

(4) for a nonprofit participant, evidence supporting the nonprofit organization's eligibility for compensation under the financial hardship test under subdivision 3, paragraph (c);

(5) amounts of compensation awarded to the participant under this section during the current year and any pending requests for compensation, itemized by docket;

(6) an itemization of the participant's costs, not including overhead costs;

(7) participant revenues dedicated to the proceeding;

(8) the total compensation request; and

(9) a narrative describing the unique contribution made to the proceeding by the participant.

(c) A participant must comply with reasonable requests for information by the commission and other parties or participants. A participant must reply to information requests within ten calendar days of the date the request is received, unless doing so would place an extreme hardship upon the replying participant. The replying participant must provide a copy of the information to any other participant or interested person upon request. Disputes regarding information requests may be resolved by the commission.

(d) A party or participant objecting to a request for compensation must, within 30 days after service of the request for compensation, file a response and an affidavit of service with the commission. A copy of the response must be served on the requesting participant and all other parties to the proceeding.

(e) The requesting participant may file a reply with the commission within 15 days after a response is filed under paragraph (d). A copy of the reply and an affidavit of service must be served on all other parties to the proceeding.

(f) If additional costs are incurred by a participant as a result of additional proceedings following the commission's initial order, the participant may file an amended request within 30 days after the commission issues an amended order. Paragraphs (b) to (e) apply to an amended request.

(g) The commission must issue a decision on participant compensation within 120 days of the date a request for compensation is filed by a participant.

(h) The commission may extend the deadlines in paragraphs (d), (e), and (g) for up to 30 days upon the request of a participant or on the commission's own initiative.

(i) A participant may request reconsideration of the commission's compensation decision within 30 days of the decision date.

Subd. 6. **Compensation; orders.** (a) If the commission issues an order requiring payment of participant compensation, the public utility that was the subject of the proceeding must pay the full compensation to the participant and file proof of payment with the commission within 30 days after the later of:

(1) the expiration of the period within which a petition for reconsideration of the commission's compensation decision must be filed; or

(2) the date the commission issues an order following reconsideration of the commission's order on participant compensation.

(b) If the commission issues an order requiring payment of participant compensation in a proceeding involving multiple public utilities, the commission must apportion costs among the public utilities in proportion to each public utility's annual revenue.

(c) The commission may issue orders necessary to allow a public utility to recover the costs of participant compensation on a timely basis.

Subd. 7. **Report.** By July 1, 2026, the commission must report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over energy policy on the operation of this section. The report must include but is not limited to:

(1) the amount of compensation paid each year by each utility;

(2) each recipient of compensation, the commission dockets in which compensation was awarded, and the compensation amounts; and

(3) the impact of the participation of compensated participants.

Subd. 8. **Sunset.** This section expires July 1, 2031.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any proceeding in which the commission has not issued a final order as of that date.

Sec. 26. Minnesota Statutes 2022, section 216C.08, is amended to read:

216C.08 JURISDICTION.

The commissioner has sole authority and responsibility for the administration of sections 216C.05 to 216C.30 and 216C.375. Other laws notwithstanding, the authority granted the commissioner shall supersede the authority given any other agency whenever overlapping, duplication, or additional

administrative or legal procedures might occur in the administration of sections 216C.05 to 216C.30 and 216C.375. The commissioner shall consult with other state departments or agencies in matters related to energy and shall contract with them to provide appropriate services to effectuate the purposes of sections 216C.05 to 216C.30 and 216C.375. Any other department, agency, or official of this state or political subdivision thereof which would in any way affect the administration or enforcement of sections 216C.05 to 216C.30 and 216C.375 shall cooperate and coordinate all activities with the commissioner to assure orderly and efficient administration and enforcement of sections 216C.05 to 216C.30 and 216C.375.

The commissioner shall designate a liaison officer whose duty shall be to insure the maximum possible consistency in procedures and to eliminate duplication between the commissioner and the other agencies that may be involved in energy.

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

Sec. 27. Minnesota Statutes 2022, section 216C.09, is amended to read:

216C.09 COMMISSIONER DUTIES.

(a) The commissioner shall:

(1) manage the department as the central repository within the state government for the collection of data on energy;

(2) prepare and adopt an emergency allocation plan specifying actions to be taken in the event of an impending serious shortage of energy, or a threat to public health, safety, or welfare;

(3) undertake a continuing assessment of trends in the consumption of all forms of energy and analyze the social, economic, and environmental consequences of these trends;

(4) carry out energy conservation measures as specified by the legislature and recommend to the governor and the legislature additional energy policies and conservation measures as required to meet the objectives of sections 216C.05 to 216C.30 and 216C.375;

(5) collect and analyze data relating to present and future demands and resources for all sources of energy;

(6) evaluate policies governing the establishment of rates and prices for energy as related to energy conservation, and other goals and policies of sections 216C.05 to 216C.30 and 216C.375, and make recommendations for changes in energy pricing policies and rate schedules;

(7) study the impact and relationship of the state energy policies to international, national, and regional energy policies;

(8) design and implement a state program for the conservation of energy; this program shall include but not be limited to, general commercial, industrial, and residential, and transportation areas; such program shall also provide for the evaluation of energy systems as they relate to lighting, heating, refrigeration, air conditioning, building design and operation, and appliance manufacturing and operation;

(9) inform and educate the public about the sources and uses of energy and the ways in which persons can conserve energy;

(10) dispense funds made available for the purpose of research studies and projects of professional and civic orientation, which are related to either energy conservation, resource recovery, or the development of alternative energy technologies which conserve nonrenewable energy resources while creating minimum environmental impact;

(11) charge other governmental departments and agencies involved in energy-related activities with specific information gathering goals and require that those goals be met;

(12) design a comprehensive program for the development of indigenous energy resources. The program shall include, but not be limited to, providing technical, informational, educational, and financial services and materials to persons, businesses, municipalities, and organizations involved in the development of solar, wind, hydropower, peat, fiber fuels, biomass, and other alternative energy resources. The program shall be evaluated by the alternative energy technical activity; and

(13) dispense loans, grants, or other financial aid from money received from litigation or settlement of alleged violations of federal petroleum-pricing regulations made available to the department for that purpose.

(b) Further, the commissioner may participate fully in hearings before the Public Utilities Commission on matters pertaining to rate design, cost allocation, efficient resource utilization, utility conservation investments, small power production, cogeneration, and other rate issues. The commissioner shall support the policies stated in section 216C.05 and shall prepare and defend testimony proposed to encourage energy conservation improvements as defined in section 216B.241.

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

Sec. 28. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision to read:

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

(b) "Low-income conservation program" means a utility program that offers energy conservation services to low-income households under sections 216B.2403, subdivision 5, and 216B.241, subdivision 7.

(c) "Preweatherization measure" has the meaning given in section 216B.2402, subdivision 20.

(d) "Weatherization assistance program" means the federal program described in Code of Federal Regulations, title 10, part 440 et seq., designed to assist low-income households reduce energy use.

(e) "Weatherization assistance services" means the energy measures installed in households under the weatherization assistance program.

Sec. 29. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision to read:

Subd. 1b. **Establishment; purpose.** A preweatherization program is established in the department. The purpose of the program is to provide grants for preweatherization services, as defined under section 216B.2402, subdivision 20, in order to expand the breadth and depth of services provided to income-eligible households in Minnesota.

Sec. 30. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision to read:

Subd. 1c. **Prewetherization account.** (a) A preweatherization account is created as a separate account in the special revenue fund of the state treasury. The account consists of money provided by law, donated, allotted, transferred, or otherwise provided to the account. Earnings, including interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money remaining in the account at the end of a fiscal year does not cancel to the general fund and remains in the account until expended. The commissioner must manage the account.

(b) Money in the account is appropriated to the commissioner to pay for (1) grants issued under the program, and (2) the reasonable costs incurred by the commissioner to administer the program.

Sec. 31. Minnesota Statutes 2022, section 216C.264, subdivision 5, is amended to read:

Subd. 5. **Grant allocation.** (a) The commissioner must distribute supplementary state grants in a manner consistent with the goal of producing the maximum number of weatherized units. Supplementary state grants are provided primarily for the payment of additional labor costs for the federal weatherization program, and as an incentive for the increased production of weatherized units. to pay for and may be used to:

(1) address physical deficiencies in a residence that increase heat loss, including deficiencies that prohibit the residence from being eligible to receive federal weatherization assistance;

(2) install eligible preweatherization measures established by the commissioner, as required under section 216B.241, subdivision 7, paragraph (g);

(3) increase the number of weatherized residences;

(4) conduct outreach activities to make income-eligible households aware of available weatherization services, to assist applicants in filling out applications for weatherization assistance, and to provide translation services when necessary;

(5) enable projects in multifamily buildings to proceed even if the project cannot comply with the federal requirement that projects must be completed within the same federal fiscal year in which the project is begun;

(6) expand weatherization training opportunities in existing and new training programs;

(7) pay additional labor costs for the federal weatherization program; and

(8) provide an incentive for the increased production of weatherized units.

(b) Criteria for the allocation of used to allocate state grants to local agencies include existing local agency production levels, emergency needs, and the potential for ~~maintaining~~ to maintain or ~~increasing~~ increase acceptable levels of production in the area.

(c) An eligible local agency may receive advance funding for 90 days' production, but thereafter must receive grants solely on the basis of the program criteria under this subdivision.

Sec. 32. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision to read:

Subd. 7. **Supplemental preweatherization assistance program.** The commissioner must provide grants to weatherization service providers to address physical deficiencies and install weatherization and preweatherization measures in residential buildings occupied by eligible low-income households.

Sec. 33. **[216C.264] WEATHERIZATION TRAINING GRANT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of commerce must establish a weatherization training grant program to award grants to train workers for careers in the weatherization industry.

Subd. 2. **Grants.** (a) The commissioner must award grants through a competitive grant process.

(b) An eligible entity under paragraph (c) seeking a grant under this section must submit a written application to the commissioner using a form developed by the commissioner.

(c) The commissioner may award grants under this section only to:

(1) a nonprofit organization exempt from taxation under section 501(c)(3) of the United States Internal Revenue Code;

(2) a labor organization, as defined in section 179.01, subdivision 6; or

(3) a job training center or educational institution that the commissioner of commerce determines has the ability to train workers for weatherization careers.

(d) Grant funds must be used to pay costs associated with training workers for careers in the weatherization industry, including related supplies, materials, instruction, and infrastructure.

(e) When awarding grants under this section, the commissioner must give priority to applications that provide the highest quality training to prepare trainees for weatherization employment opportunities that meet technical standards and certifications developed by the Building Performance Institute, Inc., or the Standard Work Specifications developed by the United States Department of Energy for the federal Weatherization Assistance Program.

Subd. 3. **Reports.** By January 15, 2025, and each January 15 thereafter, the commissioner must submit a report to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over energy policy. The report must detail the use of grant funds under this section, including data on the number of trainees trained and the career progress of trainees supported by prior grants.

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

Sec. 34. **[216C.331] ENERGY BENCHMARKING.**

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

(b) "Aggregated customer energy use data" means customer energy use data that is combined into one collective data point per time interval. Aggregated customer energy use data is data with any unique identifiers or other personal information removed that a qualifying utility collects and aggregates in at least monthly intervals for an entire building on a covered property.

(c) "Benchmark" means to electronically input into a benchmarking tool the total energy use data and other descriptive information about a building that is required by a benchmarking tool.

(d) "Benchmarking information" means data related to a building's energy use generated by a benchmarking tool, and other information about the building's physical and operational characteristics. Benchmarking information includes but is not limited to the building's:

(1) address;

(2) owner and, if applicable, the building manager responsible for operating the building's physical systems;

(3) total floor area, expressed in square feet;

(4) energy use intensity;

(5) greenhouse gas emissions; and

(6) energy performance score comparing the building's energy use with that of similar buildings.

(e) "Benchmarking tool" means the United States Environmental Protection Agency's Energy Star Portfolio Manager tool or an equivalent tool determined by the commissioner.

(f) "Covered property" means any property that is served by an investor-owned utility in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington County, or in any city outside the metropolitan area with a population of over 50,000 residents served by a municipal energy utility or investor-owned utility, and that has one or more buildings containing in sum 50,000 gross square feet or greater. Covered property does not include:

(1) a residential property containing fewer than five dwelling units;

(2) a property that is: (i) classified as manufacturing under the North American Industrial Classification System; (ii) an energy-intensive trade-exposed customer, as defined in section 216B.1696; (iii) an electric power generation facility; (iv) a mining facility; or (v) an industrial building otherwise incompatible with benchmarking in the benchmarking tool, as determined by the commissioner;

(3) an agricultural building;

(4) a multitenant building that is served by a utility that cannot supply aggregated customer usage data; or

(5) other property types that do not meet the purposes of this section, as determined by the commissioner.

(g) "Customer energy use data" means data collected from utility customer meters that reflect the quantity, quality, or timing of customers' energy use.

(h) "Energy" means electricity, natural gas, steam, or another product used to: (1) provide heating, cooling, lighting, or water heating; or (2) power other end uses in a building.

(i) "Energy performance score" means a numerical value from one to 100 that the Energy Star Portfolio Manager tool calculates to rate a building's energy efficiency against that of comparable buildings nationwide.

(j) "Energy Star Portfolio Manager" means an interactive resource management tool developed by the United States Environmental Protection Agency that (1) enables the periodic entry of a building's energy use data and other descriptive information about a building, and (2) rates a building's energy efficiency against that of comparable buildings nationwide.

(k) "Energy use intensity" means the total annual energy consumed in a building divided by the building's total floor area.

(l) "Financial distress" means a covered property that, at the time benchmarking is conducted:

(1) is the subject of a qualified tax lien sale or public auction due to property tax arrearages;

(2) is controlled by a court-appointed receiver based on financial distress;

(3) is owned by a financial institution through default by the borrower;

(4) has been acquired by deed in lieu of foreclosure; or

(5) has a senior mortgage that is subject to a notice of default.

(m) "Local government" means a statutory or home rule municipality or county.

(n) "Owner" means:

(1) an individual or entity that possesses title to a covered property; or

(2) an agent authorized to act on behalf of the covered property owner.

(o) "Qualifying utility" means a utility serving the covered property, including:

(1) an electric or gas utility, including:

(i) an investor-owned electric or gas utility; or

(ii) a municipally owned electric or gas utility;

(2) a natural gas supplier with five or more active commercial connections, accounts, or customers in the state; or

(3) a district steam, hot water, or chilled water provider.

(p) "Tenant" means a person that occupies or holds possession of a building or part of a building or premises pursuant to a lease agreement.

(q) "Total floor area" means the sum of gross square footage inside a building's envelope, measured between the outside exterior walls of the building. Total floor area includes covered parking structures.

(r) "Utility customer" means the building owner or tenant listed on the utility's records as the customer liable for payment of the utility service or additional charges assessed on the utility account.

Subd. 2. **Establishment.** The commissioner must establish and maintain a building energy benchmarking program. The purpose of the program is to:

(1) make a building's owners, tenants, and potential tenants aware of (i) the building's energy consumption levels and patterns, and (ii) how the building's energy use compares with that of similar buildings nationwide; and

(2) enhance the likelihood that an owner adopts energy conservation measures in the owner's building as a way to reduce energy use, operating costs, and greenhouse gas emissions.

Subd. 3. **Classification of covered properties.** For the purposes of this section, a covered property is classified as follows:

<u>Class</u>	<u>Total Floor Area (square feet)</u>
<u>1</u>	<u>100,000 or more</u>
<u>2</u>	<u>50,000 to 99,999</u>

Subd. 4. **Benchmarking requirement.** (a) An owner must annually benchmark all covered property owned as of December 31 in conformity with the schedule in subdivision 7. Energy use data must be compiled by:

(1) obtaining the data from the utility providing the energy; or

(2) reading a master meter.

(b) Before entering information in a benchmarking tool, an owner must run all automated data quality assurance functions available within the benchmarking tool and must correct all data identified as missing or incorrect.

(c) An owner who becomes aware that any information entered into a benchmarking tool is inaccurate or incomplete must amend the information in the benchmarking tool within 30 days of the date the owner learned of the inaccuracy.

(d) Nothing in this subdivision prohibits an owner of property that is not a covered property from voluntarily benchmarking a property under this section.

Subd. 5. Exemption for individual building. (a) The commissioner may exempt an owner of a specific covered property from the requirements of subdivision 4 if the owner provides evidence satisfactory to the commissioner that the covered property for which the owner is seeking an exemption:

(1) is presently experiencing financial distress;

(2) has been less than 50 percent occupied during the previous calendar year;

(3) does not have a certificate of occupancy or temporary certificate of occupancy for the full previous calendar year;

(4) was issued a demolition permit during the previous calendar year that remains current; or

(5) received no energy services for at least 30 days during the previous calendar year.

(b) An exemption granted under this subdivision applies only to a single calendar year. An owner must reapply to the commissioner each year an extension is sought.

(c) Within 30 days of the date an owner makes a request under this paragraph, a tenant of a covered property subject to this section must provide the owner with any information regarding energy use of the tenant's rental unit that the property owner cannot otherwise obtain and that is needed by the owner to comply with this section. The tenant must provide the information required under this paragraph in a format approved by the commissioner.

Subd. 6. Exemption by other government benchmarking program. An owner is exempt from the requirements of subdivision 4 for a covered property if the property is subject to a benchmarking requirement by the state, a city, or other political subdivision with a benchmarking requirement that the commissioner determines is equivalent or more stringent, as determined under subdivision 11, paragraph (b), than the benchmarking requirement established in this section. The exemption under this subdivision applies in perpetuity unless or until the benchmarking requirement is changed or revoked and the commissioner determines the benchmarking requirement is no longer equivalent nor more stringent.

Subd. 7. Benchmarking schedule. (a) An owner must annually benchmark each covered property for the previous calendar year according to the following schedule:

(1) all Class 1 properties by June 1, 2025, and by every June 1 thereafter; and

(2) all Class 2 properties by June 1, 2026, and by every June 1 thereafter.

(b) Beginning June 1, 2025, for Class 1 properties, and June 1, 2026, for Class 2 properties, an owner who is selling a covered property must provide the following to the new owner at the time of sale:

(1) benchmarking information for the most recent 12-month period, including monthly energy use by source; or

(2) ownership of the digital property record in the benchmarking tool through an online transfer.

Subd. 8. Utility data requirements. (a) In implementing this section, a qualifying utility shall only aggregate customer energy use data of covered properties, and on or before January 1, 2025, a qualifying utility shall:

(1) establish an aggregation standard whereby:

(i) an aggregated customer energy use data set may include customer energy use data from no fewer than four customers. A single customer's energy use must not constitute more than 50 percent of total energy consumption for the requested data set; and

(ii) customer energy use data sets containing three or fewer customers or with a single customer's energy use constituting more than 50 percent of total energy consumption may be provided upon the written consent of:

(A) all customers included in the requested data set, in cases of three or fewer customers; or

(B) any customer constituting more than 50 percent of total energy consumption for the requested data set; and

(2) prepare and make available customer energy use data and aggregated customer energy use data upon the request of an owner.

(b) Customer energy use data that a qualifying utility provides an owner pursuant to this subdivision must be:

(1) available on, or able to be requested through, an easily navigable web portal or online request form using up-to-date standards for digital authentication;

(2) provided to the owner within 30 days after receiving the owner's valid written or electronic request;

(3) provided for at least 24 consecutive months of energy consumption or as many months of consumption data that are available if the owner has owned the building for less than 24 months;

(4) directly uploaded to the owner's benchmarking tool account, delivered in the spreadsheet template specified by the benchmarking tool, or delivered in another format approved by the commissioner;

(5) provided to the owner on at least an annual basis until the owner revokes the request for energy use data or sells the covered property; and

(6) provided in monthly intervals, or the shortest available intervals based in billing.

(c) Data necessary to establish, utilize, or maintain information in the benchmarking tool under this section may be collected or shared as provided by this section and are considered public data whether or not the data have been aggregated.

(d) Notwithstanding any other provision of law, a qualifying utility shall not aggregate or anonymize customer energy use data of any customer exempted by the commissioner under section 216B.241 from contributing to investments and expenditures made by a qualifying utility under an

energy and conservation optimization plan, unless the customer provides written consent to the qualifying utility.

(e) Except as provided in paragraph (d), qualifying utilities may aggregate the customer energy use data of properties with a total floor area of less than 50,000 square feet if the property otherwise meets the definition of a covered property.

Subd. 9. Data collection and management. (a) The commissioner must:

(1) collect benchmarking information generated by a benchmarking tool and other related information for each covered property;

(2) provide technical assistance to owners entering data into a benchmarking tool;

(3) collaborate with the Department of Revenue to collect the data necessary for establishing the covered property list annually; and

(4) provide technical guidance to utilities in the establishment of data aggregation and access tools.

(b) Upon request of the commissioner, a county assessor shall provide by January 15 annually readily available property data necessary for the development of the covered property list, including but not limited to gross floor area, property type, and owner information.

(c) The commissioner must:

(1) rank benchmarked covered properties in each property class from highest to lowest performance score or, if a performance score is unavailable for a covered property, from lowest to highest energy use intensity;

(2) divide covered properties in each property class into four quartiles based on the applicable measure in clause (1);

(3) assign four stars to each covered property in the quartile of each property class with the highest performance scores or lowest energy use intensities, as applicable;

(4) assign three stars to each covered property in the quartile of each property class with the second highest performance scores or second lowest energy use intensities, as applicable;

(5) assign two stars to each covered property in the quartile of each property class with the third highest performance scores or third lowest energy use intensities, as applicable;

(6) assign one star to each covered property in the quartile of each property class with the lowest performance scores or highest energy use intensities, as applicable; and

(7) serve notice in writing to each owner identifying the number of stars assigned by the commissioner to each of the owner's covered properties.

Subd. 10. **Data disclosure to public.** (a) The commissioner must post on the department's website and update by December 1 annually the following information for the previous calendar year:

(1) annual summary statistics on energy use for all covered properties;

(2) annual summary statistics on energy use for all covered properties, aggregated by covered property class, as defined in subdivision 3, city, and county;

(3) the percentage of covered properties in each building class listed in subdivision 3 that are in compliance with the benchmarking requirements under subdivisions 4 to 7; and

(4) for each covered property, at a minimum, the address, the total energy use, energy use intensity, annual greenhouse gas emissions, and an energy performance score, if available.

(b) The commissioner must post the information required under this subdivision for:

(1) all Class 1 properties by December 1, 2025, and by every December 1 thereafter; and

(2) all Class 2 properties by December 1, 2026, and by every December 1 thereafter.

Subd. 11. **Coordination with other benchmarking programs.** (a) The commissioner shall coordinate with any state agency or local government that implements an energy benchmarking program, including with respect to reporting requirements.

(b) This section does not restrict a local government from adopting or implementing an ordinance or resolution that imposes more stringent benchmarking requirements. For purposes of this section, a local government benchmarking program is more stringent if the program requires:

(1) buildings to be benchmarked that are not required to be benchmarked under this section; or

(2) benchmarking of information that is not required to be benchmarked under this section.

(c) Benchmarking program requirements of local governments must:

(1) be at least as comprehensive in scope and application as the program operated under this section; and

(2) include annual enforcement of a penalty on covered properties that do not comply with the local government's benchmarking ordinance.

(d) Local governments must notify the commissioner of the local government's existing benchmarking ordinance requirements and of new, changed, or revoked ordinance requirements that would apply to the benchmarking schedule for the following year.

(e) The commissioner must make available to local governments upon request all benchmarking data for covered properties within the local government's jurisdiction annually by December 1.

Subd. 12. **Building performance disclosure to occupants.** The commissioner must provide disclosure materials for public display within a building to building owners, so that owners can

prominently display the performance of the building. The materials must include the number of stars assigned to the building by the commissioner under subdivision 9, paragraph (c), and a relevant explanation of the rating.

Subd. 13. **Notifications.** By March 1 each year, the commissioner must notify the owner of each covered property required to benchmark for the previous calendar year of the requirement to benchmark by June 1 of the current year.

Subd. 14. **Program implementation.** The commissioner may contract with an independent third party to implement any or all of the commissioner's duties required under this section. The commissioner must assist owners to increase energy efficiency and reduce greenhouse gas emissions from the owners' covered properties, including by providing outreach, training, and technical assistance to owners to help owners' covered properties comply with the benchmarking program.

Subd. 15. **Account established; appropriation.** (a) An energy benchmarking program account is established as a separate account in the special revenue fund in the state treasury. The commissioner shall credit to the account appropriations and transfers to the account. Earnings, including interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money in the account at the end of a fiscal year does not cancel to the general fund but remains available in the account until expended. The commissioner shall manage the account.

(b) Money in the account is appropriated to the commissioner to pay the reasonable costs of the department to administer this section.

Subd. 16. **Enforcement.** By June 15 each year, the commissioner must notify the owner of each covered property that has failed to comply with this section that the owner has until July 15 to bring the covered property into compliance, unless the owner requests and receives an extension until August 15. If an owner fails to comply with the requirements of this section by July 15 and fails to request an extension by that date, or is given an extension and fails to comply by August 15, the commissioner may impose a civil fine of \$1,000 on the owner. The commissioner may by rule increase the civil fine to adjust for inflation.

Subd. 17. **Recovery of expenses.** The commission shall allow a public utility to recover reasonable and prudent expenses of implementing this section under section 216B.16, subdivision 6b. The costs and benefits associated with implementing this section may, at the discretion of the utility, be excluded from the calculation of net economic benefits for purposes of calculating the financial incentive to the public utility under section 216B.16, subdivision 6c. The energy and demand savings may, at the discretion of the public utility, be applied toward the calculation of overall portfolio energy and demand savings for purposes of determining progress toward annual goals under section 216B.241, subdivision 1c, and in the financial incentive mechanism under section 216B.16, subdivision 6c.

EFFECTIVE DATE. This section is effective the day following final enactment, except that subdivision 15 is effective June 15, 2026.

Sec. 35. **[216C.374] ELECTRIC SCHOOL BUS DEPLOYMENT PROGRAM.**

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

(b) "Battery exchange station" means a physical location deploying equipment that enables a used electric vehicle battery to be removed and exchanged for a fully charged electric vehicle battery.

(c) "Electric school bus" means an electric vehicle: (1) designed to carry a driver and more than ten passengers; and (2) primarily used to transport preprimary, primary, and secondary students.

(d) "Electric utility" means any utility that provides wholesale or retail electric service to customers in Minnesota.

(e) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a.

(f) "Electric vehicle charging station" means a physical location deploying equipment that provides electricity to charge a battery in an electric vehicle.

(g) "Electric vehicle infrastructure" means electric vehicle charging stations and any associated electric panels, machinery, equipment, and infrastructure necessary for an electric utility to supply electricity to an electric vehicle charging station and to support electric vehicle operation.

(h) "Electric vehicle service provider" means an organization that installs, maintains, or otherwise services a battery exchange station, electric vehicle infrastructure, or electric vehicle charging stations.

(i) "Eligible applicant" means a school district or an electric utility, electric vehicle service provider, or transportation service provider applying for a grant under this section on behalf of a school district.

(j) "Federal vehicle electrification grants" means grants that fund electric school buses or electric vehicle infrastructure under the federal Infrastructure Investment and Jobs Act, Public Law 117-58, or the Inflation Reduction Act of 2022, Public Law 117-169.

(k) "Poor air quality" means:

(1) ambient air levels that air monitoring data reveals approach or exceed state or federal air quality standards or chronic health inhalation risk benchmarks for total suspended particulates, particulate matter less than ten microns wide (PM-10), particulate matter less than 2.5 microns wide (PM-2.5), sulfur dioxide, or nitrogen dioxide; or

(2) areas in which levels of asthma among children significantly exceed the statewide average.

(l) "Prioritized school district" means:

(1) a school district listed in the Small Area Income and Poverty Estimates School District Estimates as having 7.5 percent or more students living in poverty based on the most recent decennial U.S. census;

(2) a school district identified with locale codes "43-Rural: Remote" and "42-Rural: Distant" by the National Center for Education Statistics;

(3) a school district funded by the Bureau of Indian Affairs; or

(4) a school district that receives basic support payments under United States Code, title 20, section 7703(b)(1), for children who reside on Indian land.

(m) "School" means a school that operates as part of an independent or special school district.

(n) "School bus" has the meaning given in section 169.011, subdivision 71.

(o) "School district" means:

(1) an independent school district, as defined in section 120A.05, subdivision 10; or

(2) a special school district, as defined in section 120A.05, subdivision 14.

(p) "Transportation service provider" means a person that has a contract with a school district to transport students to and from school.

Subd. 2. **Establishment; purpose.** An electric school bus deployment program is established in the department. The purpose of the program is to provide grants to accelerate the deployment of electric school buses by school districts and to encourage schools to use vehicle electrification as a teaching tool that can be integrated into the school's curriculum.

Subd. 3. **Establishment of account.** An electric school bus program account is established as a separate account in the special revenue fund in the state treasury. The commissioner shall credit to the account appropriations and transfers to the account. Earnings, including interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money in the account at the end of a fiscal year does not cancel to the general fund but remains available in the account until June 30, 2027. The commissioner shall manage the account.

Subd. 4. **Appropriation; expenditures.** Money in the account is appropriated to the commissioner and must be used only:

(1) for grant awards made under this section; and

(2) to pay the reasonable costs incurred by the department to administer this section, including the cost of providing technical assistance to eligible applicants, including but not limited to grant writing assistance for applications for federal vehicle electrification grants under subdivision 6, paragraph (c).

Subd. 5. **Eligible grant expenditures.** A grant awarded under this section may be used only to pay:

(1) a school district or transportation service provider to purchase one or more electric school buses, or convert or repower fossil-fuel-powered school buses to be powered by electricity;

(2) up to 75 percent of the cost a school district or transportation service provider incurs to purchase one or more electric school buses, or to convert or repower fossil-fuel-powered school buses to be powered by electricity;

(3) for prioritized school districts, up to 95 percent of the cost a school district or transportation service provider incurs to purchase one or more electric school buses, or to convert or repower fossil-fuel-powered school buses to be powered by electricity;

(4) up to 75 percent of the cost of deploying, on the school district or transportation service provider's real property, infrastructure required to operate electric school buses, including but not limited to battery exchange stations, electric vehicle infrastructure, or electric vehicle charging stations;

(5) for prioritized school districts, up to 95 percent of the cost of deploying, on the school district or transportation service provider's real property, infrastructure required to operate electric school buses, including but not limited to battery exchange stations, electric vehicle infrastructure, or electric vehicle charging stations; and

(6) the reasonable costs of technical assistance related to electric school bus deployment program planning and to prepare grant applications for federal vehicle electrification grants.

Subd. 6. **Application process.** (a) The commissioner must develop administrative procedures governing the application and grant award process.

(b) The commissioner must issue a request for proposals to eligible applicants who may wish to apply for a grant under this section on behalf of a school.

(c) An eligible applicant must submit an application for an electric school bus deployment grant to the commissioner on a form prescribed by the commissioner. The form must require an applicant to supply, at a minimum, the following information:

(1) the number of and a description of the electric school buses the school district or transportation service provider intends to purchase;

(2) the total cost to purchase the electric school buses and the incremental cost, if any, of the electric school buses when compared with fossil-fuel-powered school buses;

(3) a copy of the proposed contract agreement between the school district, the electric utility, the electric vehicle service provider, or the transportation service provider that includes provisions addressing responsibility for maintenance of the electric school buses and related electric vehicle infrastructure and battery exchange stations;

(4) whether the school district is a prioritized school district;

(5) areas of the school district that serve significant numbers of students eligible for free and reduced-price school meals, and areas that disproportionately experience poor air quality, as measured by indicators such as the Minnesota Pollution Control Agency's air quality monitoring network, the Minnesota Department of Health's air quality and health monitoring, or other relevant indicators;

(6) the school district's plan to prioritize the deployment of electric school buses in areas of the school district that:

(i) serve students eligible for free and reduced-price school meals;

(ii) experience disproportionately poor air quality; or

(iii) are located within environmental justice areas, as defined in section 216B.1691, subdivision 1, paragraph (e);

(7) the school district's plan, if any, to make the electric school buses serve as a visible learning tool for students, teachers, and visitors to the school, including how vehicle electrification may be integrated into the school district's curriculum;

(8) information that demonstrates the school district's level of need for financial assistance available under this section;

(9) any federal vehicle electrification grants awarded to or applied for by the eligible applicant for the same electric school buses or electric vehicle infrastructure proposed by the eligible applicant in a grant application made under this section;

(10) information that demonstrates the school district's readiness to implement the project and to operate the electric school buses for no less than five years;

(11) whether the electric utility or electric vehicle service provider will deploy electric vehicle infrastructure on the school district's or transportation service provider's property, and if so, the willingness and ability of the electric vehicle service provider or the electric utility to:

(i) pay employees and contractors a prevailing wage rate, as defined in section 177.42, subdivision 6; and

(ii) comply with section 177.43; and

(12) any other information deemed relevant by the commissioner.

(d) An eligible applicant may seek a technical assistance grant under this section to assist the eligible applicant apply for federal vehicle electrification grants. An eligible applicant seeking a technical assistance grant under this section must submit an application to the commissioner on behalf of a school district on a form prescribed by the commissioner. The form must include, at a minimum, the following information:

(1) the names of the federal programs to which the applicant intends to apply;

(2) a description of the technical assistance the applicants need in order to complete the federal application; and

(3) any other information deemed relevant by the commissioner.

(e) The commissioner must administer an open application process under this section at least twice annually.

Subd. 7. **Technical assistance.** The department must provide technical assistance to school districts to develop and execute projects applied for or funded by grants awarded under this section.

Subd. 8. **Grant awards.** (a) In awarding grants under this section, the commissioner must give priority to applications from or on behalf of prioritized school districts, and must endeavor to award no less than 40 percent of the total amount of grants awarded under this section to prioritized school districts.

(b) In making grant awards under this section, the amount of the grant must be based on the commissioner's assessment of the school district's need for financial assistance.

(c) A grant awarded under this section, when combined with any federal vehicle electrification grants obtained by an eligible applicant for the same electric school buses or electric vehicle infrastructure as proposed by the eligible applicant in a grant application made under this section, must not exceed the total cost of the electric school buses or electric vehicle infrastructure funded by the grant.

Subd. 9. **Application deadline.** No application may be submitted under this section after December 31, 2026.

Subd. 10. **Reporting.** Beginning January 15, 2024, and each year thereafter until January 15, 2028, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy regarding:

(1) grants and amounts awarded to school districts under this section during the previous year; and

(2) any remaining balance available in the electric school bus program account.

Subd. 11. **Cost recovery.** (a) A prudent and reasonable investment on electric vehicle infrastructure installed on a school district's real property that is made by a public utility may be placed in the public utility's rate base and earn a rate of return determined by the commission.

(b) Notwithstanding any other provision of this chapter, the commission may approve a tariff mechanism to automatically adjust annual charges for prudent and reasonable investments made by a public utility on electric vehicle infrastructure installed on a school district's real property.

Sec. 36. Minnesota Statutes 2022, section 216C.375, is amended to read:

216C.375 SOLAR FOR SCHOOLS PROGRAM.

Subdivision 1. **Definitions.** (a) For the purposes of this section ~~and section 216C.376~~, the following terms have the meanings given them.

(b) "Developer" means an entity that installs a solar energy system on a school building that has been awarded a grant under this section.

(c) "Electricity expenses" means expenses associated with:

(1) purchasing electricity from a utility; or

(2) purchasing and installing a solar energy system, including financing and power purchase agreement payments, operation and maintenance contract payments, and interest charges.

~~(e)~~ (d) "Photovoltaic device" has the meaning given in section 216C.06, subdivision 16.

~~(d)~~ (e) "School" means:

(1) a school that operates as part of ~~an independent or special~~ a school district;

(2) a Tribal contract school; or

~~(2)~~ (3) a state college or university that is under the jurisdiction of the Board of Trustees of the Minnesota State Colleges and Universities.

~~(e)~~ (f) "School district" means:

(1) an independent ~~or~~ school district, as defined in section 120A.05, subdivision 10;

(2) a special school district, as defined in section 120A.05, subdivision 14; or

(3) a cooperative unit, as defined in section 123A.24, subdivision 2.

~~(f)~~ (g) "Solar energy system" means photovoltaic or solar thermal devices.

~~(g)~~ (h) "Solar thermal" has the meaning given to "qualifying solar thermal project" in section 216B.2411, subdivision 2, paragraph (d).

~~(h)~~ (i) "State colleges and universities" has the meaning given in section 136F.01, subdivision 4.

Subd. 2. **Establishment; purpose.** A solar for schools program is established in the Department of Commerce. The purpose of the program is to provide grants to stimulate the installation of solar energy systems on or adjacent to school buildings by reducing the ~~cost~~ school's electricity expenses, and to enable schools to use the solar energy system as a teaching tool that can be integrated into the school's curriculum.

Subd. 3. **Establishment of account.** A solar for schools program account is established in the special revenue fund. Money received from the general fund and from the renewable development account established under section 116C.779, subdivision 1, must be transferred to the commissioner of commerce and credited to the account. The account consists of money received from the general fund and the renewable development account, provided by law, donated, allocated, transferred, or otherwise provided to the account. Earnings, including interest, dividends, and any other earnings arising from the assets of the account, must be credited to the account. Except as otherwise provided in this paragraph, money deposited in the account remains in the account until expended. Any money that remains in the account on June 30, ~~2027~~ 2034, cancels to the general fund.

Subd. 4. **Appropriation; expenditures.** (a) Money in the account is appropriated to the commissioner and may be used only:

(1) for grant awards made under this section; and

(2) to pay the reasonable costs incurred by the department to administer this section.

(b) Grant awards made with funds ~~in the account~~ from the general fund must be used only for grants for solar energy systems installed on or adjacent to school buildings receiving retail electric service from a utility that is not subject to section 116C.779, subdivision 1.

(c) Grant awards made with funds from the renewable development account must be used only for grants for solar energy systems installed on or adjacent to school buildings receiving retail electric service from a utility that is subject to section 116C.779, subdivision 1.

Subd. 5. **Eligible system.** (a) A grant may be awarded to a school under this section only if the school building is owned by the grantee and the solar energy system that is the subject of the grant:

(1) is installed on or adjacent to the school building that consumes the electricity generated by the solar energy system, on property within the service territory of the utility currently providing electric service to the school building;

(2) if installed on or adjacent to a school building receiving retail electric service from a utility that is not subject to section 116C.779, subdivision 1, has a capacity that does not exceed the lesser of: (i) 40 kilowatts alternating current or, with the consent of the interconnecting electric utility, up to 1,000 kilowatts alternating current; or (ii) 120 percent of the estimated annual electricity consumption of the school building at which the solar energy system is installed; and

(3) if installed on or adjacent to a school building receiving retail electric service from a utility that is subject to section 116C.779, subdivision 1, has a capacity that does not exceed the lesser of 1,000 kilowatts alternating current or 120 percent of the estimated annual electricity consumption of the school building at which the solar energy system is installed;

(4) has real-time and cumulative display devices, located in a prominent location accessible to students and the public, that indicate the system's electrical performance.

(b) A school that receives a rebate or other financial incentive under section 216B.241 for a solar energy system and that demonstrates considerable need for financial assistance, as determined by the commissioner, is eligible for a grant under this section for the same solar energy system.

Subd. 6. **Application process.** (a) The commissioner must issue a request for proposals to utilities, schools, and developers who may wish to apply for a grant under this section on behalf of a school.

(b) A utility or developer must submit an application to the commissioner on behalf of a school on a form prescribed by the commissioner. The form must include, at a minimum, the following information:

(1) the capacity of the proposed solar energy system and the amount of electricity that is expected to be generated;

(2) the current energy demand of the school building on which the solar energy generating system is to be installed and information regarding any distributed energy resource, including subscription to a community solar garden, that currently provides electricity to the school building;

(3) a description of any solar thermal devices proposed as part of the solar energy system;

(4) the total cost to purchase and install the solar energy system and the solar energy system's lifecycle cost, including removal and disposal at the end of the system's life;

(5) a copy of the proposed contract agreement between the school and the ~~public utility~~ to which the solar energy system is interconnected or the developer that includes provisions addressing responsibility for maintenance of the solar energy system;

(6) the school's plan to make the solar energy system serve as a visible learning tool for students, teachers, and visitors to the school, including how the solar energy system may be integrated into the school's curriculum and provisions for real-time monitoring of the solar energy system performance for display in a prominent location within the school or on-demand in the classroom;

(7) information that demonstrates the school's level of need for financial assistance available under this section;

(8) information that demonstrates the school's readiness to implement the project, including but not limited to the availability of the site on which the solar energy system is to be installed and the level of the school's engagement with the utility providing electric service to the school building on which the solar energy system is to be installed on issues relevant to the implementation of the project, including metering and other issues;

(9) with respect to the installation and operation of the solar energy system, the willingness and ability of the developer or the public utility to:

(i) pay employees and contractors a prevailing wage rate, as defined in section 177.42, subdivision 6; and

(ii) adhere to the provisions of section 177.43;

(10) ~~how the developer or public utility plans to reduce the school's initial capital expense to purchase and install~~ projected reductions in electricity expenses resulting from purchasing and installing the solar energy system by providing financial assistance to the school; and

(11) any other information deemed relevant by the commissioner.

(c) The commissioner must administer an open application process under this section at least twice annually.

(d) The commissioner must develop administrative procedures governing the application and grant award process.

(e) The school, the developer, or the utility to which the solar energy generating system is interconnected must annually submit to the commissioner on a form prescribed by the commissioner a report containing the following information for each of the 12 previous months:

(1) the total number of kilowatt-hours of electricity consumed by the school;

(2) the total number of kilowatt-hours generated by the solar energy generating system;

(3) the amount paid by the school to its utility for electricity; and

(4) any other information requested by the commissioner.

Subd. 7. **Energy conservation review.** At the commissioner's request, a school awarded a grant under this section ~~shall~~ must provide the commissioner information regarding energy conservation measures implemented at the school building at which the solar energy system is installed. The commissioner may make recommendations to the school regarding cost-effective conservation measures it can implement and may provide technical assistance and direct the school to available financial assistance programs.

Subd. 8. **Technical assistance.** The commissioner must provide technical assistance to schools to develop and execute projects under this section.

Subd. 9. **Grant payments.** The commissioner must award a grant from the account established under subdivision 3 to a school for the necessary costs associated with the purchase and installation of a solar energy system. The amount of the grant must be based on the commissioner's assessment of the school's need for financial assistance.

Subd. 10. **Application deadline.** No application may be submitted under this section after December 31, ~~2025~~ 2032.

Subd. 11. **Reporting.** Beginning January 15, 2022, and each year thereafter until January 15, ~~2028~~ 2035, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy regarding: (1) grants and amounts awarded to schools under this section during the previous year; (2) financial assistance, including amounts per award, provided to schools under section 216C.376 during the previous year; and (3) any remaining balances available under this section and section 216C.376. (2) the amount of electricity generated by solar energy generating systems awarded a grant under this section; and (3) the impact on school electricity expenses.

Subd. 12. **Renewable energy credits.** Renewable energy credits associated with the electricity generated by a solar energy generating system installed under this section in the electric service area of a public utility subject to section 116C.779 are the property of the public utility for the life of the solar energy generating system.

Sec. 37. **[216C.377] SOLAR GRANT PROGRAM; PUBLIC BUILDINGS.**

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

(b) "Cooperative electric association" means a cooperative association organized under chapter 308A for the purpose of providing rural electrification at retail.

(c) "Developer" means an entity that installs and may own, maintain, or decommission a solar energy generating system on a public building awarded a grant under this section.

(d) "Local unit of government" means:

(1) a county, statutory or home rule charter city, town, or other local government jurisdiction, excluding a school district eligible to receive financial assistance under section 216C.375; or

(2) a federally recognized Indian Tribe in Minnesota.

(e) "Municipal electric utility" means a utility that (1) provides electric service to retail customers in Minnesota, and (2) is governed by a city council or a local utilities commission.

(f) "Public building" means:

(1) a building owned and operated by a local unit of government; or

(2) a building owned by a federally recognized Indian Tribe in Minnesota whose primary purpose is Tribal government operations.

(g) "Solar energy generating system" has the meaning given in section 216E.01, subdivision 9a.

Subd. 2. **Establishment; purpose.** A solar on public buildings grant program is established in the department. The purpose of the program is to provide grants to stimulate the installation of solar energy generating systems on public buildings.

Subd. 3. **Establishment of account.** A solar on public buildings grant program account is established in the special revenue fund. Money received from the general fund and the renewable development account established in section 116C.779, subdivision 1, must be transferred to the commissioner of commerce and credited to the account. Earnings, including interest, dividends, and any other earnings arising from the assets of the account, must be credited to the account. Earnings remaining in the account at the end of a fiscal year do not cancel to the general fund or renewable development account but remain in the account until expended. The commissioner must manage the account.

Subd. 4. **Appropriation; expenditures.** Money in the account established under subdivision 3 is appropriated to the commissioner for the purposes of this section and must be used only:

(1) for grant awards made under this section; and

(2) to pay the reasonable costs of the department to administer this section.

Subd. 5. **Eligible system.** (a) A grant may be awarded to a local unit of government under this section only if the solar energy generating system that is the subject of the grant:

(1) is installed (i) on or adjacent to a public building that consumes the electricity generated by the solar energy generating system, and (ii) on property within the service territory of the utility currently providing electric service to the public building; and

(2) has a capacity that does not exceed the lesser of 40 kilowatts or 120 percent of the average annual electricity consumption, measured over the most recent three calendar years, of the public building at which the solar energy generating system is installed.

(b) A public building that receives a rebate or other financial incentive under section 216B.241 for a solar energy generating system is eligible for a grant under this section for the same solar energy generating system.

(c) Before filing an application for a grant under this section, a local unit of government or public building that is served by a municipal electric utility or cooperative electric association must inform the municipal electric utility or cooperative electric association of the local unit of government's or public building's intention to do so. A municipal electric utility may, under an agreement with a local unit of government, own and operate a solar energy generating system awarded a grant under this section on behalf of and for the benefit of the local unit of government.

Subd. 6. **Application process.** (a) The commissioner must issue a request for proposals to local units of government who may wish to apply for a grant under this section on behalf of a public building.

(b) A local unit of government must submit an application to the commissioner on behalf of a public building on a form prescribed by the commissioner. The form must include, at a minimum, the following information:

(1) the capacity of the proposed solar energy generating system and the amount of electricity that is projected to be generated;

(2) the current energy demand of the public building on which the solar energy generating system is to be installed, information regarding any distributed energy resource that currently provides electricity to the public building, and the size of the public building's subscription to a community solar garden, if applicable;

(3) information sufficient to estimate the energy and monetary savings that are projected to result from installation of the solar energy generating system over the system's useful life;

(4) the total cost to purchase and install the solar energy generating system and the solar energy generating system's life cycle cost, including removal and disposal after decommissioning;

(5) a copy of the proposed contract agreement between the local unit of government and the utility or developer that includes provisions addressing responsibility for maintenance, removal, and disposal of the solar energy generating system; and

(6) a written statement from the interconnecting utility that no issues that would prevent interconnection of the solar energy generating system as proposed are foreseen.

(c) The commissioner must administer an open application process under this section at least twice annually.

(d) The commissioner must develop administrative procedures governing the application and grant award process under this section.

Subd. 7. **Energy conservation review.** At the commissioner's request, a local unit of government awarded a grant under this section must provide the commissioner with information regarding energy conservation measures implemented at the public building where the solar energy generating system is to be installed. The commissioner may make recommendations to the local unit of government regarding cost-effective conservation measures the local unit of government can implement and may provide technical assistance and direct the local unit of government to available financial assistance programs.

Subd. 8. **Technical assistance.** The commissioner must provide technical assistance to local units of government to develop and execute projects under this section.

Subd. 9. **Grant payments.** The commissioner must award a grant from the account established under subdivision 3 to a local unit of government for the necessary and reasonable costs associated with the purchase and installation of a solar energy generating system. In determining the amount of a grant award, the commissioner shall take into consideration the financial capacity of the local unit of government awarded the grant.

Subd. 10. **Application deadline.** An application must not be submitted under this section after June 30, 2026.

Subd. 11. **Contractor conditions.** A contractor or subcontractor performing construction work on a project supported by a grant awarded under this section:

(1) must pay employees working on the project no less than the prevailing wage rate, as defined in section 177.42; and

(2) is subject to the requirements and enforcement provisions of sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

Subd. 12. **Forfeited income.** (a) The utility to which a solar energy generating system awarded a grant under this section is interconnected must calculate the amount of net income accruing to the local unit of government annually as a result of the operation of the solar energy generating system, whether in the form of cash payments or electricity bill credits, and report that amount to the local unit of government no later than February 1.

(b) Any net income accruing to a local unit of government as calculated under paragraph (a) must be forfeited to the utility by the local unit of government.

Subd. 13. **Reporting.** Beginning January 15, 2025, and each year thereafter until January 15, 2027, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy finance and policy regarding grants and amounts awarded to local units of government under this section during the previous year and any remaining balances available in the account established under this section.

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

Sec. 38. **[216C.378] DISTRIBUTED ENERGY RESOURCES SYSTEM UPGRADE PROGRAM.**

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

(b) "Capacity constrained location" means a location on an electric utility's distribution system that the utility has reasonably determined requires significant distribution or network upgrades before additional distributed energy resources can interconnect.

(c) "DER Technical Planning Standard" means an engineering practice that limits the total aggregate distributed energy resource capacity that may interconnect to a particular location on the utility's distribution system.

(d) "Distributed energy resources" means distributed generation, as defined in section 216B.164, and energy storage systems, as defined in section 216B.2422.

(e) "Distribution upgrades" means the additions, modifications, and upgrades made to an electric utility's distribution system to facilitate interconnection of distributed energy resources.

(f) "Interconnection" means the process governed by the Minnesota Distributed Energy Resources Interconnection Process and Agreement, as approved in the Minnesota Public Utilities Commission's order issued April 19, 2019, or the Minnesota Distributed Energy Resources Interconnection Process most recently approved by the commission.

(g) "Net metered facility" has the meaning given in section 216B.164.

(h) "Network upgrades" means additions, modifications, and upgrades to the transmission system required at or beyond the point at which the distributed energy resource interconnects with an electric utility's distribution system to accommodate the interconnection of the distributed energy resource with the electric utility's distribution system. Network upgrades do not include distribution upgrades.

Subd. 2. **Establishment; purpose.** A distributed energy resources system upgrade program is established in the department. The purpose of the program is to provide funding to the utility subject to section 116C.779 to complete infrastructure investments necessary to enable electricity customers to interconnect distributed energy resources. The program must be designed to achieve the following goals to the maximum extent feasible:

(1) make upgrades at capacity constrained locations on the utility's distribution system that maximize the number and capacity of distributed energy resources projects with a capacity of up to 40 kilowatts alternating current that can be interconnected sufficient to serve projected demand;

(2) enable all distributed energy resources projects with a nameplate capacity of up to 40 kilowatts alternating current to be reviewed and approved by the utility within 43 business days;

(3) minimize interconnection barriers for electricity customers seeking to construct net metered facilities for on-site electricity use; and

(4) advance innovative solutions that can minimize the cost of distribution and network upgrades required for interconnection, including but not limited to energy storage, control technologies, smart inverters, distributed energy resources management systems, and other innovative technologies and programs.

Subd. 3. **Required plan.** (a) By November 1, 2023, the utility subject to section 116C.779 must file with the commissioner a plan for the distributed energy resources system upgrade program. The plan must contain, at a minimum:

(1) a description of how the utility proposes to use money in the distributed energy resources system upgrade program account to upgrade the utility's distribution system to maximize the number

and capacity of distributed energy resources that can be interconnected sufficient to serve projected demand;

(2) the locations where the utility proposes to make investments under the program;

(3) the number and capacity of distributed energy resources projects the utility expects to interconnect as a result of the program;

(4) a plan for reporting on the program's outcomes; and

(5) any additional information required by the commissioner.

(b) The utility subject to section 116C.779 is prohibited from implementing the program until the commissioner approves the plan submitted under this subdivision. No later than March 31, 2024, the commissioner must approve a plan under this subdivision that the commissioner determines is in the public interest. Any proposed modifications to the plan approved under this subdivision must be approved by the commissioner.

Subd. 4. **Project priorities.** When developing the plan required under subdivision 3, the utility must prioritize making investments:

(1) at capacity constrained locations on the distribution grid;

(2) in communities with demonstrated customer interest in distributed energy resources, as measured by anticipated, pending, and completed interconnection applications; and

(3) in communities with a climate action plan, clean energy goal, or policies that:

(i) seek to mitigate the impacts of climate change on the city; or

(ii) reduce the city's contributions to the causes of climate change.

Subd. 5. **Eligible costs.** The commissioner may pay the following reasonable costs of the utility subject to section 116C.779 under a plan approved in accordance with subdivision 3 from money available in the distributed energy resources system upgrade program account:

(1) distribution upgrades and network upgrades;

(2) energy storage; control technologies, including but not limited to a distributed energy resources management system; or other innovative technology used to achieve the purposes of this section; and

(3) pilot programs operated by the utility to implement innovative technology solutions.

Subd. 6. **Capacity reserved.** The utility subject to section 116C.779 must reserve any increase in the DER Technical Planning Standard made available by upgrades paid for under this section for net metered facilities and distributed energy resources with a nameplate capacity of up to 40 kilowatts alternating current. The commissioner may modify the requirements of this subdivision when the commissioner finds doing so is in the public interest.

Subd. 7. **Establishment of account.** (a) A distributed energy resources system upgrade program account is established in the special revenue fund. The account consists of money provided by law, and any other money donated, allotted, transferred, or otherwise provided to the account. Earnings, including interest, dividends, and any other earnings arising from the assets of the account, must be credited to the account. Earnings remaining in the account at the end of a fiscal year do not cancel to the general fund or renewable development account but remain in the account until expended.

(b) Money from the account is appropriated to the commissioner to review plans, award grants, and pay the reasonable costs of the department to administer this section.

Subd. 8. **Reporting of certain incidents.** The utility subject to section 116C.779 must report to the commissioner within 60 days if any distributed energy resources project with a capacity of up to 40 kilowatts alternating current is unable to interconnect due to safety, reliability, or the cost of distribution or network upgrades required at a location for which upgrade funding was provided under this program. The utility must make available to the commissioner all engineering analyses, studies, and information related to any such instances. The commissioner may modify or waive this requirement after December 31, 2025.

Sec. 39. [216C.379] ENERGY STORAGE INCENTIVE PROGRAM.

(a) The public utility subject to section 116C.779 must develop and operate a program to provide a grant to customers to reduce the cost to purchase and install an on-site energy storage system, as defined in section 216B.2422, subdivision 1, paragraph (f). The public utility subject to this section must file a plan with the commissioner to operate the program no later than November 1, 2023. The public utility must not operate the program until the program is approved by the commissioner. Any change to an operating program must be approved by the commissioner.

(b) In order to be eligible to receive a grant under this section, an energy storage system must:

(1) have a capacity no greater than 50 kilowatt hours; and

(2) be located within the electric service area of the public utility subject to this section.

(c) An owner of an energy storage system is eligible to receive a grant under this section if:

(1) a solar energy generating system is operating at the same site as the proposed energy storage system; or

(2) the owner has filed an application with the public utility subject to this section to interconnect a solar energy generating system at the same site as the proposed energy storage system.

(d) The amount of a grant awarded under this section must be based on the number of watt-hours that reflects the duration of the energy storage system at the system's rated capacity, up to a maximum of \$5,000.

(e) The commissioner must annually review and may adjust the amount of grants awarded under this section, but must not increase the amount over that awarded in previous years unless the commissioner demonstrates in writing that an upward adjustment is warranted by market conditions.

(f) A customer who receives a grant under this section is eligible to receive financial assistance under programs operated by the state or the public utility for the solar energy generating system operating in conjunction with the energy storage system.

(g) For the purposes of this section, "solar energy generating system" has the meaning given in section 216E.01, subdivision 9a.

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

Sec. 40. [216C.401] ELECTRIC VEHICLE REBATES.

Subdivision 1. **Definitions.** (a) For purposes of this section and section 216C.402, the terms in this subdivision have the meanings given.

(b) "Dealer" means a person, firm, or corporation that:

(1) possesses a new motor vehicle license under chapter 168;

(2) regularly engages in the business of manufacturing or selling, purchasing, and generally dealing in new and unused motor vehicles;

(3) has an established place of business to sell, trade, and display new and unused motor vehicles; and

(4) possesses new and unused motor vehicles to sell or trade the motor vehicles.

(c) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a, paragraphs (a) and (b), clause (3).

(d) "Eligible new electric vehicle" means an electric vehicle that meets the requirements of subdivision 2, paragraph (a).

(e) "Eligible used electric vehicle" means an electric vehicle that meets the requirements of subdivision 2, paragraph (b).

(f) "Lease" means a business transaction under which a dealer furnishes an eligible electric vehicle to a person for a fee under a bailor-bailee relationship where no incidences of ownership are transferred other than the right to use the vehicle for a term of at least 24 months.

(g) "Lessee" means a person who leases an eligible electric vehicle from a dealer.

(h) "New eligible electric vehicle" means an eligible electric vehicle that has not been registered in any state.

Subd. 2. **Eligible vehicle.** (a) A new electric vehicle is eligible for a rebate under this section if the electric vehicle:

(1) has not been previously owned;

(2) is used by a dealer as a floor model or test drive vehicle and has not been previously registered in Minnesota or any other state; or

(3) is returned to a dealer by a purchaser or lessee:

(i) within two weeks of purchase or leasing or when a purchaser's or lessee's financing for the electric vehicle has been disapproved; or

(ii) before the purchaser or lessee takes delivery, even if the electric vehicle is registered in Minnesota; and

(4) has not been modified from the original manufacturer's specifications;

(5) has a manufacturer's suggested base retail price that does not exceed \$55,000;

(6) is purchased or leased from a dealer or directly from an original equipment manufacturer that does not have licensed franchised dealers in Minnesota; and

(7) is purchased or leased after the effective date of this section for use by the purchaser and not for resale.

(b) A used electric vehicle is eligible for an electric vehicle rebate under this section: (1) if the electric vehicle has previously been owned in Minnesota or another state; (2) has not been modified from the original manufacturer's specifications; and (3) has a purchase price no greater than \$25,000, exclusive of taxes and fees.

Subd. 3. **Eligible purchaser or lessee.** A person who purchases or leases an eligible new or used electric vehicle is eligible for a rebate under this section if the purchaser or lessee:

(1) is one of the following:

(i) a resident of Minnesota, as defined in section 290.01, subdivision 7, paragraph (a), when the electric vehicle is purchased or leased;

(ii) a business that has a valid address in Minnesota from which business is conducted;

(iii) a nonprofit corporation incorporated under chapter 317A; or

(iv) a political subdivision of the state;

(2) has not received a rebate or tax credit for the purchase or lease of an electric vehicle from the state of Minnesota; and

(3) registers the electric vehicle in Minnesota.

Subd. 4. **Rebate amounts.** (a) A \$2,500 rebate may be issued under this section to an eligible purchaser to purchase or lease an eligible new electric vehicle.

(b) A \$600 rebate may be issued under this section to an eligible purchaser or lessee of an eligible used electric vehicle.

Subd. 5. **Limits.** The number of rebates allowed under this section is limited to:

(1) no more than one rebate per resident per household; and

(2) no more than one rebate per business entity per year.

Subd. 6. **Program administration.** (a) A rebate application under this section must be filed with the commissioner on a form developed by the commissioner.

(b) The commissioner must develop administrative procedures governing the application and rebate award process. Applications must be reviewed and rebates awarded by the commissioner on a first-come, first-served basis.

(c) The commissioner must, in coordination with dealers and other state agencies as applicable, develop a procedure to allow a rebate to be used by an eligible purchaser or lessee at the point of sale so that the rebate amount may be subtracted from the selling price of the eligible electric vehicle.

(d) The commissioner may reduce the rebate amounts provided under subdivision 4 or restrict program eligibility based on the availability of money to award rebates or other factors.

Subd. 7. **Account established.** (a) The electric vehicle rebate account is established as a separate account in the special revenue fund in the state treasury. The commissioner shall credit to the account appropriations and transfers to the account. Earnings, including interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money remaining in the account at the end of a fiscal year does not cancel to the general fund, but remains in the account until expended. The commissioner shall manage the account.

(b) Money in the account is appropriated to the commissioner to award rebates for electric vehicles and to reimburse the reasonable costs of the department to administer this section.

Subd. 8. **Expiration.** This section expires June 30, 2027.

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

Sec. 41. **[216C.402] GRANT PROGRAM; MANUFACTURERS' CERTIFICATION OF AUTO DEALERS TO SELL ELECTRIC VEHICLES.**

Subdivision 1. **Establishment.** A grant program is established in the department to award grants to dealers to offset the costs of obtaining the necessary training and equipment that is required by electric vehicle manufacturers in order to certify a dealer to sell electric vehicles produced by the manufacturer.

Subd. 2. **Application.** An application for a grant under this section must be made to the commissioner on a form developed by the commissioner. The commissioner must develop administrative procedures and processes to review applications and award grants under this section.

Subd. 3. **Eligible applicants.** An applicant for a grant awarded under this section must be a dealer of new motor vehicles licensed under chapter 168 operating under a franchise from a manufacturer of electric vehicles.

Subd. 4. **Account established; appropriation.** (a) An auto dealer certification grant account is established as a separate account in the special revenue fund in the state treasury. The commissioner shall credit to the account appropriations and transfers to the account. Earnings, including interest, dividends, and any other earnings arising from assets of the account, must be credited to the account.

Money in the account at the end of a fiscal year does not cancel to the general fund but remains available in the account until expended. The commissioner shall manage the account.

(b) Money in the account is appropriated to the commissioner to pay the reasonable costs of the department to administer this section.

Subd. 5. **Eligible expenditures.** Appropriations made to support the activities of this section must be used only to reimburse:

(1) a dealer for the reasonable costs to obtain training and certification for the dealer's employees from the electric vehicle manufacturer that awarded the franchise to the dealer;

(2) a dealer for the reasonable costs to purchase and install equipment to service and repair electric vehicles, as required by the electric vehicle manufacturer that awarded the franchise to the dealer; and

(3) the department for the reasonable costs to administer this section.

Subd. 6. **Limitation.** A grant awarded under this section to a single dealer must not exceed \$40,000.

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

Sec. 42. Minnesota Statutes 2022, section 216C.435, subdivision 8, is amended to read:

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

Sec. 43. Minnesota Statutes 2022, section 216C.436, is amended by adding a subdivision to read:

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

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

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

(d) "Land and water improvement" means:

(1) an improvement to farmland that:

(i) is permanent;

(ii) results in improved agricultural profitability or resiliency;

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

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

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

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

Sec. 44. Minnesota Statutes 2022, section 216C.436, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 45. [216C.45] RESIDENTIAL ELECTRIC PANEL UPGRADE GRANT PROGRAM.

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

(b) "Area median income" means the median income of the geographic area in which a single-family or multifamily building whose owner is applying for a grant under this section is located, as reported by the United States Department of Housing and Urban Development.

(c) "Automatic overcurrent protection device" means a device that protects against excess current by interrupting the flow of current.

(d) "Bus" means a metallic strip or bar that carries current.

(e) "Electric panel" means an enclosed box or cabinet containing a building's electric panels, including subpanels, that consists of buses, automatic overcurrent protection devices, and equipment, with or without switches to control light, heat, and power circuits. Electric panel includes a smart panel.

(f) "Electrical work" has the meaning given in section 326B.31, subdivision 17.

(g) "Eligible applicant" means:

(1) an owner of a single-family building whose occupants have an annual household income no greater than 150 percent of the area median income; or

(2) an owner of a multifamily building in which at least 50 percent of the units are occupied by households whose annual income is no greater than 150 percent of the area median income.

(h) "Multifamily building" means a building containing two or more units.

(i) "Smart panel" means an electrical panel that may be electronically programmed to manage electricity use in a building automatically.

(j) "Unit" means a residential living space in a multifamily building occupied by an individual or a household.

(k) "Upgrade" means:

(1) for a single-family residence:

(i) the installation of equipment, devices, and wiring necessary to increase an electrical panel's capacity to a total rating:

(A) of not less than 200 amperes; or

(B) that allows all the building's energy needs to be provided solely by electricity, as calculated using the National Electrical Code adopted in Minnesota; or

(ii) the installation of a smart panel with or without additional equipment, devices, or wiring;
and

(2) for a multifamily building, the installation of equipment, devices, and wiring necessary to increase the capacity of an electric panel, including feeder panels, to a total rating that allows all the building's energy needs to be provided solely by electricity, as calculated using the National Electrical Code adopted in Minnesota.

Subd. 2. **Program establishment.** A residential electric panel upgrade grant program is established in the department to provide financial assistance to owners of single-family residences and multifamily buildings to upgrade residential electric panels.

Subd. 3. **Account established.** (a) The residential electric panel upgrade grant account is established as a separate account in the special revenue fund in the state treasury. The commissioner shall credit to the account appropriations and transfers to the account. Earnings, including interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money remaining in the account at the end of a fiscal year does not cancel to the general fund, but remains in the account until expended. The commissioner shall manage the account.

(b) Money in the account is appropriated to the commissioner to award electric panel upgrade grants and to reimburse the reasonable costs of the department to administer this section.

Subd. 4. **Application process.** An applicant seeking a grant under this section must submit an application to the commissioner on a form developed by the commissioner. The commissioner must develop administrative procedures to govern the application and grant award process. The commissioner may contract with a third party to conduct some or all of the program's operations.

Subd. 5. **Grant awards.** A grant may be awarded under this section to:

(1) an eligible applicant; or

(2) with the written permission of an eligible applicant submitted to the commissioner, a contractor performing an upgrade or a third party on behalf of the eligible applicant.

Subd. 6. **Grant amount.** (a) Subject to the limits of paragraphs (b) to (e), a grant awarded under this section may be used to pay 100 percent of the equipment and installation costs of an upgrade.

(b) The commissioner may not award a grant to an eligible applicant under this section which, in combination with a federal grant awarded to the eligible applicant under the federal Inflation Reduction Act of 2022, Public Law 117-189, for the same electric panel upgrade, exceeds 100 percent of the equipment and installation costs of the upgrade.

(c) The maximum grant amount under this section that may be awarded to an eligible applicant who owns a single-family residence is:

(1) \$3,000 for an owner whose annual household income is less than 80 percent of area median income; and

(2) \$2,000 for an owner whose annual household income exceeds 80 percent but is not greater than 150 percent of area median income.

(d) The maximum grant amount that may be awarded under this section to an eligible applicant who owns a multifamily building is the sum of \$5,000, plus \$500 multiplied by the number of units containing a separate electric panel receiving an upgrade in the multifamily building, not to exceed \$50,000 per multifamily building.

(e) The commissioner may approve a grant amount that exceeds the maximum grant amount in paragraph (c) or (d), up to 100 percent of the equipment and installation costs of the upgrade, if the commissioner determines that a larger grant amount is necessary in order to complete the upgrade.

Subd. 7. **Limitation.** No more than one grant may be awarded to an owner under this section for work conducted at the same single-family residence or multifamily building.

Subd. 8. **Outreach.** The department must publicize the availability of grants under this section to, at a minimum:

(1) income-eligible households;

(2) community action agencies and other public and private nonprofit organizations that provide weatherization and other energy services to income-eligible households; and

(3) multifamily property owners and property managers.

Subd. 9. **Contractor or subcontractor requirements.** Contractors and subcontractors performing electrical work under a grant awarded under this section:

(1) must comply with the provisions of sections 326B.31 to 326B.399;

(2) must certify that the electrical work is performed by a licensed journeyworker electrician or a registered unlicensed individual under the direct supervision of a licensed journeyworker electrician or master electrician employed by the same licensed electrical contractor; and

(3) must pay workers the prevailing wage rate, as defined in section 177.42, and are subject to the requirements and enforcement provisions in sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

Subd. 10. **Report.** Beginning January 1, 2025, and each January 1 through 2033, the department must submit a report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over climate and energy policy describing the activities and expenditures under the program established in this section. The report must include, at a minimum:

(1) the number of units in multifamily buildings and the number of single-family residences whose owners received grants;

(2) the geographic distribution of grant recipients; and

(3) the average amount of grants awarded per building in multifamily buildings and in single-family residences.

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

Sec. 46. **[216C.46] RESIDENTIAL HEAT PUMP REBATE PROGRAM.**

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

(b) "Eligible applicant" means a person who provides evidence to the commissioner's satisfaction demonstrating that the person has received or has applied for a heat pump rebate available from the federal Department of Energy under the Inflation Reduction Act of 2022, Public Law 117-189.

(c) "Heat pump" means a cold climate rated air-source heat pump composed of (1) a mechanism that heats and cools indoor air by transferring heat from outdoor or indoor air using a fan, (2) a refrigerant-filled heat exchanger, and (3) an inverter-driven compressor that varies the pressure of the refrigerant to warm or cool the refrigerant vapor.

Subd. 2. **Establishment.** A residential heat pump rebate program is established in the department to provide financial assistance to eligible applicants that purchase and install a heat pump in the applicant's Minnesota residence.

Subd. 3. **Application.** (a) An application for a rebate under this section must be made to the commissioner on a form developed by the commissioner. The application must be accompanied by documentation, as required by the commissioner, demonstrating that:

(1) the applicant is an eligible applicant;

(2) the applicant owns the Minnesota residence in which the heat pump is to be installed;

(3) the applicant has had an energy audit conducted of the residence in which the heat pump is to be installed within the last 18 months by a person with a Building Analyst Technician certification issued by the Building Performance Institute, Inc., or an equivalent certification, as determined by the commissioner;

(4) either:

(i) the applicant has installed in the applicant's residence, by a contractor with an Air Leakage Control Installer certification issued by the Building Performance Institute, Inc., or an equivalent

certification, as determined by the commissioner, the amount of insulation and the air sealing measures recommended by the auditor; or

(ii) the auditor has otherwise determined that the amount of insulation and air sealing measures in the residence are sufficient to enable effective heat pump performance;

(5) the applicant has purchased a heat pump of the capacity recommended by the auditor or contractor, and has had the heat pump installed by a contractor with sufficient training and experience in installing heat pumps, as determined by the commissioner; and

(6) the total cost to purchase and install the heat pump in the applicant's residence.

(b) The commissioner must develop administrative procedures governing the application and rebate award processes.

(c) The commissioner may modify program requirements under this section when necessary to align with comparable federal programs administered by the department under the federal Inflation Reduction Act of 2022, Public Law 117-189.

Subd. 4. **Rebate amount.** A rebate awarded under this section must not exceed the lesser of:

(1) \$4,000; or

(2) the total cost to purchase and install the heat pump in an eligible applicant's residence net of the rebate amount received for the heat pump from the federal Department of Energy under the Inflation Reduction Act of 2022, Public Law 117-189.

Subd. 5. **Assisting applicants.** The commissioner may issue a request for proposal seeking an entity to serve as an energy coordinator to interact directly with applicants and potential applicants to:

(1) explain the technical aspects of heat pumps, energy audits, and energy conservation measures, and the energy and financial savings that can result from implementing each;

(2) identify federal, state, and utility programs available to homeowners to reduce the costs of energy audits, energy conservation, and heat pumps;

(3) explain the requirements and scheduling of the application process;

(4) provide access to certified contractors who can perform energy audits, install insulation and air sealing measures, and install heat pumps; and

(5) conduct outreach to make potential applicants aware of the program.

Subd. 6. **Contractor training and support.** The commissioner may issue a request for proposals seeking an entity to develop and organize programs to train contractors with respect to the technical aspects and installation of heat pumps in residences. The training curriculum must be at a level sufficient to provide contractors who complete training with the knowledge and skills necessary to install heat pumps to industry best practice standards, as determined by the commissioner. Training

programs must: (1) be accessible in all regions of the state; and (2) provide mentoring and ongoing support, including continuing education and financial assistance, to trainees.

Subd. 7. **Account established.** (a) The residential heat pump rebate account is established as a separate account in the special revenue fund in the state treasury. The commissioner shall credit to the account appropriations and transfers to the account. Earnings, including interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money remaining in the account at the end of a fiscal year does not cancel to the general fund, but remains in the account until expended. The commissioner shall manage the account.

(b) Money in the account is appropriated to the commissioner for the purposes of this section and to reimburse the reasonable costs of the department to administer this section.

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

Sec. 47. **[216C.51] UTILITY DIVERSITY REPORTING.**

Subdivision 1. **Public policy.** It is the public policy of this state to encourage each utility that serves Minnesota residents to focus on and improve the diversity of the utility's workforce and suppliers.

Subd. 2. **Definition.** As used in this section, "utility" has the meaning given to the term "public utility" in section 216B.02, subdivision 4.

Subd. 3. **Annual report.** (a) Beginning March 15, 2024, and each March 15 thereafter, each utility authorized to do business in Minnesota must file an annual diversity report to the commissioner in the public eDockets system that describes:

(1) the utility's goals and efforts to increase diversity in the workplace, including current workforce representation numbers and percentages; and

(2) all procurement goals and actual spending for female-owned, minority-owned, veteran-owned, and small business enterprises during the previous calendar year.

(b) The goals under paragraph (a), clause (2), must be expressed as a percentage of the total work performed by the utility submitting the report. The actual spending for female-owned, minority-owned, veteran-owned, and small business enterprises must also be expressed as a percentage of the total work performed by the utility submitting the report.

Subd. 4. **Report elements.** Each utility required to report under this section must include the following in the annual report:

(1) an explanation of the plan to increase diversity in the utility's workforce and among the utility's suppliers during the next year;

(2) an explanation of the plan to increase the goals;

(3) an explanation of the challenges faced to increase workforce and supplier diversity, including suggestions regarding actions the department could take to help identify potential employees and vendors;

(4) a list of the certifications the company recognizes;

(5) a point of contact for a potential employee or vendor that wishes to work for or do business with the utility; and

(6) a list of successful actions taken to increase workforce and supplier diversity, to encourage other companies to emulate best practices.

Subd. 5. **State data.** Each annual report must include as much state-specific data as possible. If the submitting utility does not submit state-specific data, the utility must include any relevant national data the utility possesses, explain why the utility could not submit state-specific data, and detail how the utility intends to include state-specific data in future reports, if possible.

Subd. 6. **Publication; retention.** The department must publish an annual report on the department's website and must maintain each annual report for at least five years.

Sec. 48. Minnesota Statutes 2022, section 216E.01, is amended by adding a subdivision to read:

Subd. 3a. **Energy storage system.** "Energy storage system" means equipment and associated facilities designed with a nameplate capacity of 10,000 kilowatts or more that is capable of storing generated electricity for a period of time and delivering the electricity for use after storage.

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

Sec. 49. Minnesota Statutes 2022, section 216E.01, subdivision 6, is amended to read:

Subd. 6. **Large electric power facilities.** "Large electric power facilities" means high voltage transmission lines ~~and~~, large electric power generating plants, and energy storage systems.

Sec. 50. Minnesota Statutes 2022, section 216E.03, subdivision 1, is amended to read:

Subdivision 1. **Site permit.** No person may construct a large electric generating plant or an energy storage system without a site permit from the commission. A large electric generating plant or an energy storage system may be constructed only on a site approved by the commission. The commission must incorporate into one proceeding the route selection for a high-voltage transmission line that is directly associated with and necessary to interconnect the large electric generating plant to the transmission system and whose need is certified under section 216B.243.

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

Sec. 51. Minnesota Statutes 2022, section 216E.03, subdivision 3, is amended to read:

Subd. 3. **Application.** Any person seeking to construct a large electric power ~~generating plant~~ or a high-voltage transmission line facility must apply to the commission for a site or route permit, as applicable. The application shall contain such information as the commission may require. The applicant shall propose at least two sites for a large electric power ~~generating plant~~ facility and two routes for a high-voltage transmission line. Neither of the two proposed routes may be designated as a preferred route and all proposed routes must be numbered and designated as alternatives. The commission shall determine whether an application is complete and advise the applicant of any deficiencies within ten days of receipt. An application is not incomplete if information not in the

application can be obtained from the applicant during the first phase of the process and that information is not essential for notice and initial public meetings.

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

Sec. 52. Minnesota Statutes 2022, section 216E.03, subdivision 5, as amended by Laws 2023, chapter 7, section 25, is amended to read:

Subd. 5. **Environmental review.** (a) The commissioner of the Department of Commerce shall prepare for the commission an environmental impact statement on each proposed large electric power ~~generating plant or high-voltage transmission line~~ facility for which a complete application has been submitted. The commissioner shall not consider whether or not the project is needed. No other state environmental review documents shall be required. The commissioner shall study and evaluate any site or route proposed by an applicant and any other site or route the commission deems necessary that was proposed in a manner consistent with rules concerning the form, content, and timeliness of proposals for alternate sites or routes, excluding any alternate site for a solar energy generating system that was not proposed by an applicant.

(b) For a cogeneration facility as defined in section 216H.01, subdivision 1a, that is a large electric power generating plant and is not proposed by a utility, the commissioner must make a finding in the environmental impact statement whether the project is likely to result in a net reduction of carbon dioxide emissions, considering both the utility providing electric service to the proposed cogeneration facility and any reduction in carbon dioxide emissions as a result of increased efficiency from the production of thermal energy on the part of the customer operating or owning the proposed cogeneration facility.

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

Sec. 53. Minnesota Statutes 2022, section 216E.03, subdivision 6, is amended to read:

Subd. 6. **Public hearing.** The commission shall hold a public hearing on an application for a site or route permit for a large electric power ~~generating plant or a route permit for a high-voltage transmission line~~ facility. All hearings held for designating a site or route shall be conducted by an administrative law judge from the Office of Administrative Hearings pursuant to the contested case procedures of chapter 14. Notice of the hearing shall be given by the commission at least ten days in advance but no earlier than 45 days prior to the commencement of the hearing. Notice shall be by publication in a legal newspaper of general circulation in the county in which the public hearing is to be held and by certified mail to chief executives of the regional development commissions, counties, organized towns, townships, and the incorporated municipalities in which a site or route is proposed. Any person may appear at the hearings and offer testimony and exhibits without the necessity of intervening as a formal party to the proceedings. The administrative law judge may allow any person to ask questions of other witnesses. The administrative law judge shall hold a portion of the hearing in the area where the power plant or transmission line is proposed to be located.

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

Sec. 54. Minnesota Statutes 2022, section 216E.03, subdivision 7, as amended by Laws 2023, chapter 7, section 26, is amended to read:

Subd. 7. **Considerations in designating sites and routes.** (a) The commission's site and route permit determinations must be guided by the state's goals to conserve resources, minimize environmental impacts, minimize human settlement and other land use conflicts, and ensure the state's electric energy security through efficient, cost-effective power supply and electric transmission infrastructure.

(b) To facilitate the study, research, evaluation, and designation of sites and routes, the commission shall be guided by, but not limited to, the following considerations:

(1) evaluation of research and investigations relating to the effects on land, water and air resources of large electric power ~~generating plants and high-voltage transmission lines~~ facilities and the effects of water and air discharges and electric and magnetic fields resulting from such facilities on public health and welfare, vegetation, animals, materials and aesthetic values, including baseline studies, predictive modeling, and evaluation of new or improved methods for minimizing adverse impacts of water and air discharges and other matters pertaining to the effects of power plants on the water and air environment;

(2) environmental evaluation of sites and routes proposed for future development and expansion and their relationship to the land, water, air and human resources of the state;

(3) evaluation of the effects of new electric power generation and transmission technologies and systems related to power plants designed to minimize adverse environmental effects;

(4) evaluation of the potential for beneficial uses of waste energy from proposed large electric power generating plants;

(5) analysis of the direct and indirect economic impact of proposed sites and routes including, but not limited to, productive agricultural land lost or impaired;

(6) evaluation of adverse direct and indirect environmental effects that cannot be avoided should the proposed site and route be accepted;

(7) evaluation of alternatives to the applicant's proposed site or route proposed pursuant to subdivisions 1 and 2;

(8) evaluation of potential routes that would use or parallel existing railroad and highway rights-of-way;

(9) evaluation of governmental survey lines and other natural division lines of agricultural land so as to minimize interference with agricultural operations;

(10) evaluation of the future needs for additional high-voltage transmission lines in the same general area as any proposed route, and the advisability of ordering the construction of structures capable of expansion in transmission capacity through multiple circuiting or design modifications;

(11) evaluation of irreversible and irretrievable commitments of resources should the proposed site or route be approved;

(12) when appropriate, consideration of problems raised by other state and federal agencies and local entities;

(13) evaluation of the benefits of the proposed facility with respect to (i) the protection and enhancement of environmental quality, and (ii) the reliability of state and regional energy supplies;

(14) evaluation of the proposed facility's impact on socioeconomic factors; and

(15) evaluation of the proposed facility's employment and economic impacts in the vicinity of the facility site and throughout Minnesota, including the quantity and quality of construction and permanent jobs and their compensation levels. The commission must consider a facility's local employment and economic impacts, and may reject or place conditions on a site or route permit based on the local employment and economic impacts.

(c) If the commission's rules are substantially similar to existing regulations of a federal agency to which the utility in the state is subject, the federal regulations must be applied by the commission.

(d) No site or route shall be designated which violates state agency rules.

(e) The commission must make specific findings that it has considered locating a route for a high-voltage transmission line on an existing high-voltage transmission route and the use of parallel existing highway right-of-way and, to the extent those are not used for the route, the commission must state the reasons.

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

Sec. 55. Minnesota Statutes 2022, section 216E.04, subdivision 2, as amended by Laws 2023, chapter 7, section 29, is amended to read:

Subd. 2. **Applicable projects.** The requirements and procedures in this section apply to the following projects:

(1) large electric power generating plants with a capacity of less than 80 megawatts;

(2) large electric power generating plants that are fueled by natural gas;

(3) high-voltage transmission lines of between 100 and 200 kilovolts;

(4) high-voltage transmission lines in excess of 200 kilovolts and less than 30 miles in length in Minnesota;

(5) high-voltage transmission lines in excess of 200 kilovolts if at least 80 percent of the distance of the line in Minnesota will be located along existing high-voltage transmission line right-of-way;

(6) a high-voltage transmission line service extension to a single customer between 200 and 300 kilovolts and less than ten miles in length;

(7) a high-voltage transmission line rerouting to serve the demand of a single customer when the rerouted line will be located at least 80 percent on property owned or controlled by the customer or the owner of the transmission line; ~~and~~

(8) large electric power generating plants that are powered by solar energy; and

(9) energy storage systems.

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

Sec. 56. Minnesota Statutes 2022, section 216E.05, subdivision 2, is amended to read:

Subd. 2. **Applicable projects.** Applicants may seek approval from local units of government to construct the following projects:

- (1) large electric power generating plants with a capacity of less than 80 megawatts;
- (2) large electric power generating plants of any size that burn natural gas and are intended to be a peaking plant;
- (3) high-voltage transmission lines of between 100 and 200 kilovolts;
- (4) substations with a voltage designed for and capable of operation at a nominal voltage of 100 kilovolts or more;
- (5) a high-voltage transmission line service extension to a single customer between 200 and 300 kilovolts and less than ten miles in length; ~~and~~
- (6) a high-voltage transmission line rerouting to serve the demand of a single customer when the rerouted line will be located at least 80 percent on property owned or controlled by the customer or the owner of the transmission line; and

(7) energy storage systems.

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

Sec. 57. Minnesota Statutes 2022, section 216E.06, is amended to read:

216E.06 EMERGENCY PERMIT.

(a) Any utility whose electric power system requires the immediate construction of a large electric power ~~generating plant or high-voltage transmission line~~ facility due to a major unforeseen event may apply to the commission for an emergency permit. The application shall provide notice in writing of the major unforeseen event and the need for immediate construction. The permit must be issued in a timely manner, no later than 195 days after the commission's acceptance of the application and upon a finding by the commission that (1) a demonstrable emergency exists, (2) the emergency requires immediate construction, and (3) adherence to the procedures and time schedules specified in section 216E.03 would jeopardize the utility's electric power system or would jeopardize the utility's ability to meet the electric needs of its customers in an orderly and timely manner.

(b) A public hearing to determine if an emergency exists must be held within 90 days of the application. The commission, after notice and hearing, shall adopt rules specifying the criteria for emergency certification.

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

Sec. 58. Minnesota Statutes 2022, section 216E.07, is amended to read:

216E.07 ANNUAL HEARING.

The commission shall hold an annual public hearing at a time and place prescribed by rule in order to afford interested persons an opportunity to be heard regarding any matters relating to the siting and routing of large electric generating power plants and routing of high-voltage transmission lines facilities. At the meeting, the commission shall advise the public of the permits issued by the commission in the past year. The commission shall provide at least ten days but no more than 45 days' notice of the annual meeting by mailing or serving electronically, as provided in section 216.17, a notice to those persons who have requested notice and by publication in the EQB Monitor and the commission's weekly calendar.

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

Sec. 59. Minnesota Statutes 2022, section 216E.10, is amended to read:

216E.10 APPLICATION TO LOCAL REGULATION AND OTHER STATE PERMITS.

Subdivision 1. **Site or route permit prevails over local provisions.** To assure the paramount and controlling effect of the provisions herein over other state agencies, regional, county, and local governments, and special purpose government districts, the issuance of a site permit or route permit and subsequent purchase and use of such site or route locations for large electric power ~~generating plant and high-voltage transmission line~~ facility purposes shall be the sole site or route approval required to be obtained by the utility. Such permit shall supersede and preempt all zoning, building, or land use rules, regulations, or ordinances promulgated by regional, county, local and special purpose government.

Subd. 2. **Other state permits.** Notwithstanding anything herein to the contrary, utilities shall obtain state permits that may be required to construct and operate large electric power ~~generating plants and high-voltage transmission lines~~ facilities. A state agency in processing a utility's facility permit application shall be bound to the decisions of the commission, with respect to the site or route designation, and with respect to other matters for which authority has been granted to the commission by this chapter.

Subd. 3. **State agency participation.** (a) State agencies authorized to issue permits required for construction or operation of large electric power ~~generating plants or high-voltage transmission lines~~ facilities shall participate during routing and siting at public hearings and all other activities of the commission on specific site or route designations and design considerations of the commission, and shall clearly state whether the site or route being considered for designation or permit and other design matters under consideration for approval will be in compliance with state agency standards, rules, or policies.

(b) An applicant for a permit under this section or under chapter 216G shall notify the commissioner of agriculture if the proposed project will impact cultivated agricultural land, as that term is defined in section 216G.01, subdivision 4. The commissioner may participate and advise the commission as to whether to grant a permit for the project and the best options for mitigating adverse impacts to agricultural lands if the permit is granted. The Department of Agriculture shall be the lead agency on the development of any agricultural mitigation plan required for the project.

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

Sec. 60. Minnesota Statutes 2022, section 216G.02, subdivision 1, is amended to read:

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

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

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

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

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

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

Sec. 61. Minnesota Statutes 2022, section 216H.02, subdivision 1, is amended to read:

Subdivision 1. **Greenhouse gas emissions-reduction goal.** (a) It is the goal of the state to reduce statewide greenhouse gas emissions across all sectors producing these greenhouse gas emissions to a level at least 15 percent below 2005 levels by 2015, to a level at least 30 percent below 2005 levels by 2025, and to a level at least 80 percent below 2005 levels by 2050. by at least the following amounts, compared with the level of emissions in 2005:

(1) 15 percent by 2015;

(2) 30 percent by 2025;

(3) 50 percent by 2030; and

(4) to net zero by 2050.

(b) To the maximum extent practicable, actions taken to achieve these goals must avoid causing disproportionate adverse impacts to residents of communities that are or have been incommensurately exposed to pollution affecting human health and environmental quality.

(c) The levels shall targets under paragraph (a) must be reviewed based on the climate change action plan study annually by the commissioner of the Pollution Control Agency, taking into account the latest scientific research on the impacts of climate change and strategies to reduce greenhouse gas emissions published by the Intergovernmental Panel on Climate Change. The commissioner

must forward any recommended changes to the targets to the chairs and ranking minority members of legislative committees with primary jurisdiction over climate change and environmental policy.

(d) For the purposes of the subdivision, "net zero" means:

(1) statewide greenhouse gas emissions equal to zero; or

(2) when annual anthropogenic emissions of greenhouse gases to the atmosphere are balanced by removals over a specific period.

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

Sec. 62. Minnesota Statutes 2022, section 237.55, is amended to read:

237.55 ANNUAL REPORT ON TELECOMMUNICATIONS ACCESS.

The commissioner of commerce must prepare a report for presentation to the Public Utilities Commission by ~~January~~ March 31 of each year. Each report must review the accessibility of telecommunications services to persons who have communication disabilities, describe services provided, account for annual revenues and expenditures ~~for each aspect of the fund to date~~, and include ~~predicted program~~ anticipated future operation program operations.

Sec. 63. [500.216] LIMITS ON CERTAIN RESIDENTIAL SOLAR ENERGY SYSTEMS PROHIBITED.

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

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

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

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

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

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

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

(1) single-family detached dwellings whose owner is the sole owner of the entire building in which the dwelling is located and who is solely responsible for the maintenance, repair, replacement, and insurance of the entire building; and

(2) multifamily attached dwellings whose owner is the sole owner of the entire building in which the dwelling is located and who is solely responsible for the maintenance, repair, replacement, and insurance of the entire building.

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

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

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

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

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

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

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

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

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

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

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

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

(g) A private entity must approve or deny an application in writing. If an application is not denied in writing within 60 days of the date the application was received, the application is deemed approved unless the delay is the result of a reasonable request for additional information. If a private entity determines that additional information is needed from the applicant in order to approve or disapprove the application, the private entity must request the additional information in writing within 60 days from the date of receipt of the application. If the private entity makes a request for additional information within 15 days from the date the private entity initially received the application, the private entity shall have 60 days from the date of receipt of the additional information in which to approve or disapprove the application. If the private entity makes a written request to the applicant for additional information more than 15 days after the private entity initially received the application, the private entity has 15 days after the private entity receives the additional information requested from the applicant in which to approve or disapprove the application, but in no event does the private entity have less than 60 days from the date the private entity initially received the application in which to approve or disapprove the application.

Sec. 64. Minnesota Statutes 2022, section 515B.2-103, is amended to read:

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

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

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

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

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

Sec. 65. Minnesota Statutes 2022, section 515B.3-102, is amended to read:

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

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

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

declaration and bylaws, and exercising the powers granted by this section; and (vii) otherwise facilitating the operation of the common interest community;

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

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

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

(5) make contracts and incur liabilities;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 66. Laws 2005, chapter 97, article 10, section 3, as amended by Laws 2013, chapter 85, article 7, section 9, is amended to read:

Sec. 3. **SUNSET.**

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

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

Sec. 67. **RULEMAKING AUTHORIZED.**

(a) The Public Utilities Commission is authorized to develop and adopt rules for siting energy storage systems and to reflect the provisions of this act.

(b) Until the Public Utilities Commission adopts rules under this section, the Public Utilities Commission shall utilize applicable provisions of Minnesota Rules, chapter 7850, to site energy storage systems, except that Minnesota Rules, part 7850.4400, subpart 4, does not apply to energy storage systems.

(c) For the purposes of this section, "energy storage system" has the meaning given in Minnesota Statutes, section 216E.01, subdivision 3a.

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

Sec. 68. **LOCAL CLIMATE ACTION GRANT PROGRAM.**

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

(1) "climate change" means a change in global or regional climate patterns associated with increased levels of greenhouse gas emissions entering the atmosphere largely as a result of human activity;

(2) "commissioner" means the commissioner of the Pollution Control Agency;

(3) "eligible applicant" means a political subdivision, an organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code, or an educational institution;

(4) "greenhouse gas emission" means an emission of carbon dioxide, methane, nitrous oxide, chlorofluorocarbons, hydrofluorocarbons, sulfur hexafluoride, and other gases that trap heat in the atmosphere;

(5) "local jurisdiction" means the geographic area in which grant activities take place; and

(6) "political subdivision" means:

(i) a county; home rule charter or statutory city or town; regional development commission established under Minnesota Statutes, section 462.387; or any other local political subdivision; or

(ii) a Tribal government, as defined in Minnesota Statutes, section 116J.64, subdivision 4.

Subd. 2. **Establishment.** The commissioner must establish a local climate action grant program in the Pollution Control Agency. The purpose of the program is to provide grants to support local

jurisdictions to address climate change by developing and implementing plans of action or creating new organizations and institutions to devise policies and programs that:

- (1) enable local jurisdictions to adapt to extreme weather events and a changing climate; or
- (2) reduce the local jurisdiction's contributions to the causes of climate change.

Subd. 3. **Account established.** (a) The local climate action grant account is established as a separate account in the special revenue fund in the state treasury. The commissioner shall credit to the account appropriations and transfers to the account. Earnings, including interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money remaining in the account at the end of a fiscal year does not cancel to the general fund, but remains in the account until expended. The commissioner shall manage the account.

(b) Money in the account is appropriated to the agency for the purposes of this section and to reimburse the reasonable costs of the department to administer this section.

Subd. 4. **Application.** (a) Application for a grant under this section must be made to the commissioner on a form developed by the commissioner. The commissioner must develop procedures for soliciting and reviewing applications and for awarding grants under this section.

(b) Eligible applicants for a grant under this section must be located in or conduct the preponderance of the applicant's work in the local jurisdiction where the proposed grant activities take place.

Subd. 5. **Awarding grants.** (a) In awarding grants under this section, the commissioner must give preference to proposals that seek to involve a broad array of community residents, organizations, and institutions in the local jurisdiction's efforts to address climate change.

(b) The commissioner shall endeavor to award grants under this section to applicants in all regions of the state.

Subd. 6. **Grant amounts.** (a) A grant awarded under this section must not exceed \$50,000.

(b) A grant awarded under this section for activities taking place in a local jurisdiction whose population equals or exceeds 20,000 must be matched 50 percent with local funds.

(c) A grant awarded under this section for activities taking place in a local jurisdiction whose population is under 20,000 must be matched a minimum of five percent with local funds or equivalent in-kind services.

Subd. 7. **Contract; greenhouse gas emissions data.** The commissioner shall contract with an independent consultant to estimate the annual amount of greenhouse gas emissions generated within political subdivisions awarded a grant under this section that the commissioner determines need the data in order to carry out the proposed grant activities. The information must contain emissions data for the most recent three years available, and must conform with the ICLEI United States Community Protocol for Accounting and Reporting of Greenhouse Gas Emissions, including, at a minimum, the Basic Emissions Generating Activities described in the protocol.

Subd. 8. **Technical assistance.** The Pollution Control Agency shall provide directly or contract with an entity outside the agency to provide technical assistance to applicants proposing to develop an action plan under this section, including greenhouse gas emissions estimates developed under subdivision 7, and examples of actions taken and plans developed by other local communities in Minnesota and elsewhere.

Subd. 9. **Eligible expenditures.** Appropriations made to support the activities of this section may be used only to:

- (1) provide grants as specified in this section;
- (2) pay a consultant for contracted services provided under subdivisions 7 and 8; and
- (3) reimburse the reasonable expenses incurred by the Pollution Control Agency to provide technical assistance to applicants and to administer the grant program.

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

Sec. 69. **TRANSFER OF UNENCUMBERED WITHHELD FUNDS.**

Any funds withheld by the public utility subject to Minnesota Statutes, section 116C.779, subdivision 1, to provide financial assistance to schools to purchase and install solar energy systems, as required under Minnesota Statutes 2022, section 216C.376, subdivision 5, paragraph (a), that are unencumbered as of the effective date of this section must be transferred to the solar for schools program account established under Minnesota Statutes, section 216C.375, subdivision 3.

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

Sec. 70. **DECOMMISSIONING AND DEMOLITION PLAN FOR COAL-FIRED PLANT.**

The public utility that owns an electric generation facility powered by coal that is located within the St. Croix National Scenic Riverway and is scheduled for retirement in 2028 must develop a plan and detailed schedule of activities that it proposes to undertake to decommission and demolish the electric generation facility and to remediate pollution at the electric generation facility site. The public utility must file the plan with the Minnesota Public Utilities Commission as part of the public utility's next resource plan filing under Minnesota Statutes, section 216B.2422, or in a separate filing by December 31, 2025, whichever is earlier. A copy of the plan and schedule must be filed on the same date with the governing body of the municipality where the electric generation facility is located.

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

Sec. 71. **TRIBAL ADVOCACY COUNCIL ON ENERGY; DEPARTMENT OF COMMERCE SUPPORT.**

(a) The Department of Commerce must provide technical support and subject matter expertise to assist and help facilitate any efforts taken by the 11 federally recognized Indian Tribes in Minnesota to establish a Tribal advocacy council on energy.

(b) When providing support to a Tribal advocacy council on energy, the Department of Commerce may assist the council to:

(1) assess and evaluate common Tribal energy issues, including (i) identifying and prioritizing energy issues, (ii) facilitating idea sharing between the Tribes to generate solutions to energy issues, and (iii) assisting decision making with respect to resolving energy issues;

(2) develop new statewide energy policies or proposed legislation, including (i) organizing stakeholder meetings, (ii) gathering input and other relevant information, (iii) assisting with policy proposal development, evaluation, and decision making, and (iv) helping facilitate actions taken to submit, and obtain approval for or have enacted, policies or legislation approved by the council;

(3) make efforts to raise awareness and provide educational opportunities with respect to Tribal energy issues by (i) identifying information resources, (ii) gathering feedback on issues and topics the council identifies as areas of interest, and (iii) identifying topics for educational forums and helping facilitate the forum process; and

(4) identify, evaluate, and disseminate successful energy-related practices, and develop mechanisms or opportunities to implement the successful practices.

(c) Nothing in this section requires or otherwise obligates the 11 federally recognized Indian Tribes in Minnesota to establish a Tribal advocacy council on energy, nor does it require or obligate any one of the 11 federally recognized Indian Tribes in Minnesota to participate in or implement a decision or support an effort made by an established Tribal advocacy council on energy.

(d) Any support provided by the Department of Commerce to a Tribal advocacy council on energy under this section may be provided only upon request of the council and is limited to issues and areas where the Department of Commerce's expertise and assistance is requested.

Sec. 72. ELECTRIC GRID RESILIENCE GRANTS.

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

(b) "Carbon-free" has the meaning given in Minnesota Statutes, section 216B.1691, subdivision 1.

(c) "Commissioner" means the commissioner of commerce.

(d) "Consumer-owned utility" has the meaning given in Minnesota Statutes, section 216B.2402, subdivision 2.

(e) "Department" means the Department of Commerce.

(f) "Eligible applicant" means a consumer-owned utility or associated trade association, generation and transmission cooperative electric association, municipal power agency, or power district serving one or more consumer-owned utilities.

(g) "Resilience" means the ability of an electrical grid to prepare for, adapt to, or minimize the consequences of extreme weather or malicious physical or cyber-attacks.

(h) "Strategic electrification" has the meaning given in Minnesota Statutes, section 216B.2427, subdivision 1.

Subd. 2. **Program establishment.** An electric grid resilience grant program is established in the Department of Commerce to provide financial assistance to eligible applicants. A project awarded a grant under this section:

- (1) must increase the resilience of the electric grid;
- (2) may develop or improve carbon-free distributed energy resources in the state; and
- (3) may improve a utility's ability to add load growth resulting from strategic electrification and electrification of transportation.

Subd. 3. **Application process.** An eligible applicant seeking a grant under this section must submit an application to the commissioner on a form developed by the commissioner. The commissioner is responsible for receiving and reviewing grant applications and awarding grants under this subdivision. The commissioner must develop administrative procedures to govern the application, evaluation, and grant award process.

Subd. 4. **Grant awards.** The maximum grant award for each eligible applicant awarded a grant under this subdivision is \$250,000. In awarding grants under this subdivision, the department must:

- (1) give priority to projects with the greatest potential to assist an eligible applicant to comply with the standards established in Minnesota Statutes, section 216B.1691;
- (2) endeavor to award grants to eligible applicants from all regions of the state; and
- (3) provide technical assistance to applicants.

Subd. 5. **Account established.** An electric grid resilience grant program account is established as a separate account in the special revenue fund in the state treasury. The commissioner of commerce must credit to the account appropriations and transfers made to the account. Earnings, including interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money in the account at the end of a fiscal year does not cancel to the general fund but remains available in the account until expended. The commissioner of commerce must manage the account.

Subd. 6. **Appropriation; expenditures.** Money in the account is appropriated to the commissioner of commerce and must be used only:

- (1) to make grant awards under this section; and
- (2) to pay the reasonable costs incurred by the department to administer this section, including the cost of providing technical assistance to eligible applicants.

Subd. 7. **Report.** Beginning February 15, 2025, and each February 15 thereafter until the appropriation under article 10, section 2, subdivision 2, paragraph (r), has been expended, the commissioner must submit a written report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy policy and finance on the activities taken and

expenditures made under this section. The report must, at a minimum, include each grant awarded in the most recent calendar year and the remaining balance of the appropriation under this section.

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

Sec. 73. COMMUNITY SOLAR GARDEN STUDY.

The commissioner of commerce must contract with a third party for a study of the community solar garden program operated pursuant to Minnesota Statutes, section 216B.1641, and must, by December 15, 2024, submit to the chairs and ranking minority members of the legislative committees with jurisdiction over energy policy a report on the program. The report must include:

(1) a comparison of the program with similar programs operated in other jurisdictions, including a comparison of program structure, the manner in which applications are submitted and reviewed, how related infrastructure upgrades are prioritized and funded, and how regulations and penalties are structured;

(2) an analysis of the cost to ratepayers of operating the community solar garden program and a comparison with the cost to ratepayers of other potential options for encouraging adoption of solar electricity generation in this state; and

(3) an analysis of how the community solar program impacts interconnection and infrastructure upgrade needs and challenges.

Sec. 74. UTILITY ENERGY STORAGE SYSTEM CAPACITY STUDY.

(a) The Department of Commerce shall conduct or contract for a study to determine the optimal capacity of energy storage systems required to be installed by electric utilities located in Minnesota by 2030, 2035, and 2040 in order to achieve the requirements established under:

(1) Minnesota Statutes, section 216B.1691, subdivision 2g, regarding the proportion of electricity sold at retail in the state that must be generated by carbon-free resources; and

(2) Minnesota Statutes, section 216B.1691, subdivision 2a, regarding the proportion of electricity sold at retail in the state that must be generated by eligible energy technologies.

(b) In determining optimal capacity amounts, the study must consider:

(1) technological advances in energy storage technology that are likely to be made by 2040, and their impact on the cost-effectiveness of deploying energy storage systems;

(2) the extent to which energy storage systems can serve as substitutes for:

(i) additional electric transmission lines and distribution system capacity; and

(ii) additional generating capacity, including peaking capacity;

(3) which electric utilities are most likely to need and benefit from the deployment of energy storage systems, given their load characteristics and other factors; and

(4) the deployment of energy storage systems in other states, including in states that have established mandatory targets for storage capacity.

(c) No later than February 15, 2024, the Department of Commerce shall submit a written report documenting the study's findings to the chairs and ranking minority members of the senate and house of representatives committees with primary responsibility over energy policy and finance.

(d) No later than February 15, 2024, the Department of Commerce shall host a meeting to solicit input from stakeholders and the public regarding recommendations for the implementation of policies and programs designed to promote the increased deployment of energy storage systems by electric utilities in order to achieve the statewide goals referenced under paragraph (a). The Department of Commerce shall, no later than March 1, 2024, submit a written summary of the recommendations made at the meeting to the members of the legislature identified in paragraph (c) and shall post the summary on the department's website.

(e) For the purposes of this section, "energy storage system" has the meaning given in Minnesota Statutes, section 216B.2422, subdivision 1.

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

Sec. 75. PUBLIC UTILITIES COMMISSION DOCKET; INTERCONNECTION.

No later than September 1, 2023, the commission shall open a proceeding to establish interconnection procedures that allow customer-sited distributed generation projects up to 40 kilowatts alternating current in capacity to be processed according to schedules specified in the Minnesota Distributed Energy Resources Interconnection Process, giving such projects priority over larger projects that may enjoy superior positions in the processing queue.

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

Sec. 76. SUPPORTING INVESTMENT IN GREEN FERTILIZER PRODUCTION.

(a) The commissioner of agriculture may award a grant under this section to a cooperative to invest in green fertilizer production facilities in order to reduce greenhouse gas emissions and increase the use of renewable energy in the agriculture sector. A grant under this section must include a long-term agreement requiring cooperative members to purchase green fertilizer from the facilities and to obtain training in best management practices in fertilizer application to minimize pollution. Renewable energy, hydrogen, and ammonia must be produced within 100 miles of the production facilities and the final production of nitrogen fertilizer must occur within Minnesota.

(b) For purposes of this section:

(1) "cooperative" includes an agricultural or rural electric cooperative organized under Minnesota Statutes, chapter 308A or 308B;

(2) "green fertilizer production facilities" means facilities that use renewable energy to produce anhydrous ammonia, urea, or hydrogen;

(3) "green hydrogen" means hydrogen produced by splitting water molecules using:

(i) grid-based electrolyzers that have matched their electricity consumption with wind or solar, on a basis determined by the commissioner; or

(ii) electrolyzers connected directly to a wind or solar facility; and

(4) "green fertilizer" means a nitrogen-based fertilizer produced from green hydrogen.

(c) The commissioner of agriculture must develop criteria and scoring procedures for evaluating and awarding grants. The maximum grant award for a cooperative is \$7,000,000.

(d) Up to five percent of the amount in paragraph (a) may be used by the Department of Agriculture to administer this section.

(e) By December 15 each year, the commissioner of agriculture must report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture to provide an update on the progress of projects funded by this program. Each report must include how much of the amount appropriated has been used, including the amount used for administration. The commissioner may include additional information of interest or relevance to the legislature. This paragraph expires December 31, 2031.

(f) By December 15, 2032, the commissioner of agriculture must complete a final report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture regarding the uses and impacts of this program. The final report must include a list of the grants awarded, the amount of the appropriation used for administration, the amount of green fertilizer produced, and a summary of the economic and environmental impacts of this production compared to the production and purchase of conventionally produced fertilizer. The commissioner of agriculture may include additional information of interest or relevance to the legislature. This paragraph expires December 31, 2032.

Sec. 77. REVISOR INSTRUCTION.

The revisor of statutes shall make any necessary changes in Minnesota Rules resulting from the changes made to Minnesota Statutes, chapter 216E, in this act.

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

Sec. 78. REPEALER.

Minnesota Statutes 2022, section 216C.376, is repealed.

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

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for environment, natural resources, climate, and energy; appropriating money from environment and natural resources trust fund; modifying prior appropriations; providing for and modifying disposition of certain receipts; modifying and establishing duties, authorities, and prohibitions regarding environment and natural resources; modifying and creating environment and natural resources programs; modifying and creating grant programs; modifying permit and environmental review requirements; modifying

requirements for recreational vehicles; modifying state trail, state forest, and state park provisions; authorizing sales, conveyances, and leases of certain state lands; modifying forestry provisions; modifying game and fish provisions; modifying regulation of farmed Cervidae; regulating certain seeds and pesticides; modifying Water Law; modifying and providing for fees; establishing a biennial budget for Department of Commerce, Public Utilities Commission, and energy, climate, and clean energy activities; establishing and modifying provisions governing energy, clean and renewable energy, energy storage, energy use and conservation, and utility regulation; adding and modifying provisions governing Public Utilities Commission proceedings; making technical changes; requiring reports; requiring rulemaking; amending Minnesota Statutes 2022, sections 16A.151, subdivision 2, as amended; 16B.325, subdivision 2; 16C.135, subdivision 3; 16C.137, subdivision 1; 18B.01, subdivision 31; 18B.09, subdivision 2, by adding a subdivision; 21.86, subdivision 2; 35.155, subdivisions 1, 4, 10, 11, 12, by adding subdivisions; 35.156, subdivision 2, by adding subdivisions; 84.02, by adding a subdivision; 84.415, subdivisions 3, 6, 7, by adding a subdivision; 84.66, subdivision 7; 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; 84.90, subdivision 7; 84.922, subdivision 4; 84.992, subdivisions 2, 5; 84D.02, subdivision 3; 84D.10, subdivision 3; 85.015, subdivision 10; 85.052, subdivision 6; 85A.01, subdivision 1; 86B.005, by adding a subdivision; 86B.313, subdivision 4; 86B.415, subdivisions 1, 1a, 2, 3, 4, 5; 89A.03, subdivision 5; 89A.11; 90.181, subdivision 2; 97A.015, subdivision 51, by adding a subdivision; 97A.031; 97A.045, subdivision 5; 97A.126; 97A.137, subdivisions 3, 5; 97A.315, subdivision 1; 97A.401, subdivision 1, by adding a subdivision; 97A.405, subdivisions 2, 5; 97A.420, subdivision 1; 97A.421, subdivision 3; 97A.465, subdivisions 3, 8; 97A.475, subdivision 41; 97B.031, subdivision 1; 97B.037; 97B.071; 97B.301, subdivisions 2, 6; 97B.668; 97C.041; 97C.315, subdivision 1; 97C.345, subdivision 1; 97C.355, by adding a subdivision; 97C.371, subdivisions 1, 2, 4; 97C.395, subdivision 1; 97C.601, subdivision 1; 97C.605, subdivisions 1, 2c, 3; 97C.611; 97C.836; 103B.101, subdivisions 2, 9, 16, by adding a subdivision; 103B.103; 103C.501, subdivisions 1, 4, 5, 6, by adding a subdivision; 103D.605, subdivision 5; 103F.505; 103F.511, by adding subdivisions; 103G.005, by adding subdivisions; 103G.2242, subdivision 1; 103G.271, subdivision 6; 103G.287, subdivisions 2, 3; 103G.299, subdivisions 1, 2, 5, 10; 103G.301, subdivisions 2, 6, 7; 115.01, by adding subdivisions; 115.03, subdivision 1; 115.061; 115A.03, by adding subdivisions; 115A.1415; 115A.49; 115A.51; 115A.54, subdivisions 1, 2, 2a, as amended; 115A.565, subdivisions 1, 3; 115B.17, subdivision 14; 115B.171, subdivision 3; 115B.52, subdivision 4; 116.07, by adding a subdivision; 116C.03, subdivision 2a; 116C.779, subdivision 1; 116C.7792; 116P.05, subdivisions 1, 1a, 2; 116P.09, subdivision 6; 116P.11; 116P.15; 116P.16; 116P.18; 168.27, by adding a subdivision; 171.07, by adding a subdivision; 216B.096, subdivision 11; 216B.16, subdivision 10; 216B.164, by adding a subdivision; 216B.1641; 216B.1645, subdivision 4; 216B.1691, by adding a subdivision; 216B.17, subdivision 1; 216B.2402, subdivision 16; 216B.2424, subdivision 5c; 216B.2425, subdivision 3, by adding a subdivision; 216B.243, subdivision 8, as amended; 216B.50, subdivision 1; 216B.62, subdivision 3b; 216C.08; 216C.09; 216C.264, subdivision 5, by adding subdivisions; 216C.375; 216C.435, subdivision 8; 216C.436, subdivision 2, by adding a subdivision; 216E.01, subdivision 6, by adding a subdivision; 216E.03, subdivisions 1, 3, 5, as amended, 6, 7, as amended; 216E.04, subdivision 2, as amended; 216E.05, subdivision 2; 216E.06; 216E.07; 216E.10; 216G.02, subdivision 1; 216H.02, subdivision 1; 237.55; 297A.94; 325E.046; 325F.072, subdivisions 1, 3, by adding a subdivision; 373.475; 515B.2-103; 515B.3-102; Laws 2005, chapter 97, article 10, section 3, as amended; Laws 2021, First Special Session chapter 6, article 5, section 2, subdivision 9; Laws 2022, chapter 94, section 2, subdivisions 5, 8, 9; Laws 2023, chapter 9, section 19; proposing coding for new law in Minnesota Statutes, chapters 16B; 18B; 21; 84; 86B; 97B; 97C; 103B; 103F; 103G;

115A; 116; 116P; 123B; 216B; 216C; 325E; 473; 500; repealing Minnesota Statutes 2022, sections 35.155, subdivision 14; 86B.101; 86B.305; 86B.313, subdivisions 2, 3; 97C.605, subdivisions 2, 2a, 2b, 5; 103C.501, subdivisions 2, 3; 115.44, subdivision 9; 116.011; 216C.376; 325E.389; 325E.3891; Minnesota Rules, parts 6100.5000, subparts 3, 4, 5; 6100.5700, subpart 4; 6115.1220, subpart 8; 6256.0500, subparts 2, 2a, 2b, 4, 5, 6, 7, 8; 8400.0500; 8400.0550; 8400.0600, subparts 4, 5; 8400.0900, subparts 1, 2, 4, 5; 8400.1650; 8400.1700; 8400.1750; 8400.1800; 8400.1900."

We request the adoption of this report and repassage of the bill.

House Conferees: Rick Hansen, Patty Acomb, Athena Hollins, Sydney Jordan, Larry Kraft

Senate Conferees: Fong Hawj, Nick Frentz, Jennifer McEwen, Tou Xiong

Senator Hawj moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2310 be now adopted, and that the bill be repassed as amended by the Conference Committee.

President Champion resumed the Chair.

Senator Mathews moved that the recommendations and Conference Committee Report on H.F. No. 2310 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration.

The question was taken on the adoption of the Mathews motion.

Senator Pratt moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 33 and nays 33, 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 Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Duckworth.

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	
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Mann, McEwen, Putnam, Rest, and Wiklund.

The motion did not prevail.

The question recurred on the adoption of the Hawj motion.

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 Morrison cast the affirmative vote on behalf of the following Senators: Mann, McEwen, Putnam, Rest, and Wiklund.

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 Jasinski cast the negative vote on behalf of the following Senators: Coleman and Duckworth.

The motion prevailed. So the recommendations and Conference Committee report were adopted.

H.F. No. 2310 was read the third, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 35 and nays 32, as follows:

Those who voted in the affirmative were:

Abeler	Fateh	Kunesh	Mitchell	Port
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

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Mann, McEwen, Putnam, Rest, and Wiklund.

Those who voted in the negative were:

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	
Drazkowski	Howe	Limmer	Rasmusson	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Coleman and Duckworth.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MEMBERS EXCUSED

Senator Johnson was excused from the Session of today from 11:50 a.m. to 12:10 p.m. Senator Dahms was excused from the Session of today from 11:50 a.m. to 12:45 p.m. Senator Weber was excused from the Session of today from 11:50 a.m. to 1:15 p.m. Senator Abeler was excused from the Session of today from 5:10 to 7:20 p.m.

ADJOURNMENT

Senator Dziejdzic moved that the Senate do now adjourn until 10:00 a.m., Friday, May 19, 2023. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate