

SEVENTY-FOURTH DAY

St. Paul, Minnesota, Friday, May 19, 2023

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Dr. DeWayne Davis.

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

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

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 18, 2023

The Honorable Bobby Joe Champion
President of the Senate

Dear President Champion:

I have received, approved, signed, and deposited in the Office of the Secretary of State, Chapter 43, S.F. No. 1955.

Sincerely,
Tim Walz, Governor

May 18, 2023

The Honorable Melissa Hortman
Speaker of the House of Representatives

The Honorable Bobby Joe Champion
President of the Senate

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

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 2023	Date Filed 2023
1955		43	10:18 a.m. May 18	May 18

Sincerely,
Steve Simon
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1384: A bill for an act relating to state government; modifying labor policy provisions; modifying building codes, occupational safety and health, and employment law; amending Minnesota Statutes 2022, sections 13.43, subdivision 6; 120A.414, subdivision 2; 122A.181, subdivision 5; 122A.26, subdivision 2; 122A.40, subdivision 5; 122A.41, subdivision 2; 177.27, subdivision 4; 177.42, subdivision 2; 179A.03, subdivisions 14, 18; 179A.06, subdivision 6; 179A.07, subdivision 6, by adding subdivisions; 179A.12, subdivisions 6, 11, by adding a subdivision; 181.03, subdivision 6; 181.06, subdivision 2; 181.172; 181.275, subdivision 1; 181.932, subdivision 1; 181.939; 181.940, subdivisions 2, 3; 181.941, subdivision 3; 181.9413; 181.942; 181.9436; 181.945, subdivision 3; 181.9456, subdivision 3; 181.956, subdivision 5; 181.964; 182.659, subdivisions 1, 8; 182.66, by adding a subdivision; 182.661, by adding a subdivision; 182.676; 326B.093, subdivision 4; 326B.106, by adding a subdivision; 326B.163, subdivision 5, by adding a subdivision; 326B.164, subdivision 13; 326B.31, subdivision 30; 326B.32, subdivision 1; 326B.36, subdivision 7, by adding a subdivision;

326B.805, subdivision 6; 326B.921, subdivision 8; 326B.925, subdivision 1; 326B.988; 572B.17; proposing coding for new law in Minnesota Statutes, chapters 16A; 181; 327; repealing Minnesota Statutes 2022, section 179A.12, subdivision 2.

There has been appointed as such committee on the part of the House:

Feist, Berg and Davids.

Senate File No. 1384 is herewith returned to the Senate.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned May 18, 2023

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Hauschild, Eichorn, Hawj, Farnsworth, and Rarick introduced--

S.F. No. 3347: A bill for an act relating to natural resources; creating Outdoor School for All grant program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 84.

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

Senators Coleman, Housley, and Pratt introduced--

S.F. No. 3348: A bill for an act relating to the Metropolitan Council; providing for staggered terms; expanding the membership of the nomination committee; requiring additional information to be made publicly available as part of the selection process; clarifying council member qualifications; amending Minnesota Statutes 2022, section 473.123, subdivisions 2a, 3.

Referred to the Committee on Transportation.

Senator Seeberger introduced--

S.F. No. 3349: A bill for an act relating to higher education; creating an institutional grant program for realtime stenographic writer training; requiring reports; appropriating money.

Referred to the Committee on Higher Education.

RECESS

Senator Dziedzic 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.

CALL OF THE SENATE

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

MOTIONS AND RESOLUTIONS

S.F. No. 2934 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. No. 2934

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

May 18, 2023

The Honorable Bobby Joe Champion
President of the Senate

The Honorable Melissa Hortman
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 2934 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 2934 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

DISABILITY SERVICES

Section 1. Minnesota Statutes 2022, section 179A.54, is amended by adding a subdivision to read:

Subd. 11. Home Care Orientation Trust. (a) The state and an exclusive representative certified pursuant to this section may establish a joint labor and management trust, referred to as the Home Care Orientation Trust, for the exclusive purpose of rendering voluntary orientation training to individual providers of direct support services who are represented by the exclusive representative.

(b) Financial contributions by the state to the Home Care Orientation Trust must be made by the state pursuant to a collective bargaining agreement negotiated under this section. All such financial contributions by the state must be held in trust for the purpose of paying, from principal, from income, or from both, the costs associated with developing, delivering, and promoting voluntary orientation training for individual providers of direct support services working under a collective bargaining agreement and providing services through a covered program under section 256B.0711. The Home Care Orientation Trust must be administered, managed, and otherwise controlled jointly by a board of trustees composed of an equal number of trustees appointed by the state and trustees appointed by the exclusive representative under this section. The trust shall not be an agent of either the state or of the exclusive representative.

(c) Trust administrative, management, legal, and financial services may be provided to the board of trustees by a third-party administrator, financial management institution, other appropriate entity, or any combination thereof, as designated by the board of trustees from time to time, and those services must be paid from the money held in trust and created by the state's financial contributions to the Home Care Orientation Trust.

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

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

Sec. 2. Minnesota Statutes 2022, section 245A.03, subdivision 7, is amended to read:

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

(1) foster care settings where at least 80 percent of the residents are 55 years of age or older;

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

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

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

(5) new foster care licenses or community residential setting licenses for people receiving customized living or 24-hour customized living services under the brain injury or community access for disability inclusion waiver plans under section 256B.49 or elderly waiver plan under chapter 256S and residing in the customized living setting ~~before July 1, 2022,~~ for which a license is required. A customized living service provider subject to this exception may rebut the presumption that a license is required by seeking a reconsideration of the commissioner's determination. The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14. The exception is available until ~~June 30~~ December 31, 2023. This exception is available when:

(i) the person's customized living services are provided in a customized living service setting serving four or fewer people ~~under the brain injury or community access for disability inclusion~~

~~waiver plans under section 256B.49~~ in a single-family home operational on or before June 30, 2021. Operational is defined in section 256B.49, subdivision 28;

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

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

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

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

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

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

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

(g) License holders of foster care homes identified under paragraph (f) that are not the primary residence of the license holder and that also provide services in the foster care home that are covered

by a federally approved home and community-based services waiver, as authorized under chapter 256S or section 256B.092 or 256B.49, must inform the human services licensing division that the license holder provides or intends to provide these waiver-funded services.

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

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

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

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

Sec. 3. Minnesota Statutes 2022, section 245A.11, subdivision 7, is amended to read:

Subd. 7. Adult foster care; variance for alternate overnight supervision. (a) The commissioner may grant a variance under section 245A.04, subdivision 9, to rule parts requiring a caregiver to be present in an adult foster care home during normal sleeping hours to allow for alternative methods of overnight supervision. The commissioner may grant the variance if the local county licensing agency recommends the variance and the county recommendation includes documentation verifying that:

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

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

(3) the alternative method of providing overnight supervision, which may include the use of technology, is specified for each resident in the resident's: (i) individualized plan of care; (ii)

individual service plan under section 256B.092, subdivision 1b, if required; or (iii) individual resident placement agreement under Minnesota Rules, part 9555.5105, subpart 19, if required.

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

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

~~(d) A variance granted by the commissioner according to this subdivision before January 1, 2014, to a license holder for an adult foster care home must transfer with the license when the license converts to a community residential setting license under chapter 245D. The terms and conditions of the variance remain in effect as approved at the time the variance was granted. The variance requirements under this subdivision for alternative overnight supervision do not apply to community residential settings licensed under chapter 245D.~~

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

Sec. 4. Minnesota Statutes 2022, section 245A.11, subdivision 7a, is amended to read:

Subd. 7a. **Alternate overnight supervision technology; adult foster care and community residential setting licenses.** (a) The commissioner may grant an applicant or license holder an adult foster care ~~or community residential setting~~ license for a residence that does not have a caregiver in the residence during normal sleeping hours as required under Minnesota Rules, part 9555.5105, subpart 37, item B, or section 245D.02, subdivision 33b, but uses monitoring technology to alert the license holder when an incident occurs that may jeopardize the health, safety, or rights of a foster care recipient. The applicant or license holder must comply with all other requirements under Minnesota Rules, parts 9555.5105 to 9555.6265, or applicable requirements under chapter 245D, and the requirements under this subdivision. The license printed by the commissioner must state in bold and large font:

(1) that the facility is under electronic monitoring; and

(2) the telephone number of the county's common entry point for making reports of suspected maltreatment of vulnerable adults under section 626.557, subdivision 9.

(b) Applications for a license under this section must be submitted directly to the Department of Human Services licensing division. The licensing division must immediately notify the county licensing agency. The licensing division must collaborate with the county licensing agency in the review of the application and the licensing of the program.

(c) Before a license is issued by the commissioner, and for the duration of the license, the applicant or license holder must establish, maintain, and document the implementation of written policies and procedures addressing the requirements in paragraphs (d) through (f).

(d) The applicant or license holder must have policies and procedures that:

(1) establish characteristics of target populations that will be admitted into the home, and characteristics of populations that will not be accepted into the home;

(2) explain the discharge process when a resident served by the program requires overnight supervision or other services that cannot be provided by the license holder due to the limited hours that the license holder is on site;

(3) describe the types of events to which the program will respond with a physical presence when those events occur in the home during time when staff are not on site, and how the license holder's response plan meets the requirements in paragraph (e), clause (1) or (2);

(4) establish a process for documenting a review of the implementation and effectiveness of the response protocol for the response required under paragraph (e), clause (1) or (2). The documentation must include:

(i) a description of the triggering incident;

(ii) the date and time of the triggering incident;

(iii) the time of the response or responses under paragraph (e), clause (1) or (2);

(iv) whether the response met the resident's needs;

(v) whether the existing policies and response protocols were followed; and

(vi) whether the existing policies and protocols are adequate or need modification.

When no physical presence response is completed for a three-month period, the license holder's written policies and procedures must require a physical presence response drill to be conducted for which the effectiveness of the response protocol under paragraph (e), clause (1) or (2), will be reviewed and documented as required under this clause; and

(5) establish that emergency and nonemergency phone numbers are posted in a prominent location in a common area of the home where they can be easily observed by a person responding to an incident who is not otherwise affiliated with the home.

(e) The license holder must document and include in the license application which response alternative under clause (1) or (2) is in place for responding to situations that present a serious risk to the health, safety, or rights of residents served by the program:

(1) response alternative (1) requires only the technology to provide an electronic notification or alert to the license holder that an event is underway that requires a response. Under this alternative, no more than ten minutes will pass before the license holder will be physically present on site to respond to the situation; or

(2) response alternative (2) requires the electronic notification and alert system under alternative (1), but more than ten minutes may pass before the license holder is present on site to respond to the situation. Under alternative (2), all of the following conditions are met:

(i) the license holder has a written description of the interactive technological applications that will assist the license holder in communicating with and assessing the needs related to the care, health, and safety of the foster care recipients. This interactive technology must permit the license holder to remotely assess the well being of the resident served by the program without requiring the initiation of the foster care recipient. Requiring the foster care recipient to initiate a telephone call does not meet this requirement;

(ii) the license holder documents how the remote license holder is qualified and capable of meeting the needs of the foster care recipients and assessing foster care recipients' needs under item (i) during the absence of the license holder on site;

(iii) the license holder maintains written procedures to dispatch emergency response personnel to the site in the event of an identified emergency; and

(iv) each resident's individualized plan of care, support plan under sections 256B.0913, subdivision 8; 256B.092, subdivision 1b; 256B.49, subdivision 15; and 256S.10, if required, or individual resident placement agreement under Minnesota Rules, part 9555.5105, subpart 19, if required, identifies the maximum response time, which may be greater than ten minutes, for the license holder to be on site for that resident.

(f) Each resident's placement agreement, individual service agreement, and plan must clearly state that the adult foster care ~~or community residential setting~~ license category is a program without the presence of a caregiver in the residence during normal sleeping hours; the protocols in place for responding to situations that present a serious risk to the health, safety, or rights of residents served by the program under paragraph (e), clause (1) or (2); and a signed informed consent from each resident served by the program or the person's legal representative documenting the person's or legal representative's agreement with placement in the program. If electronic monitoring technology is used in the home, the informed consent form must also explain the following:

(1) how any electronic monitoring is incorporated into the alternative supervision system;

(2) the backup system for any electronic monitoring in times of electrical outages or other equipment malfunctions;

(3) how the caregivers or direct support staff are trained on the use of the technology;

(4) the event types and license holder response times established under paragraph (e);

(5) how the license holder protects each resident's privacy related to electronic monitoring and related to any electronically recorded data generated by the monitoring system. A resident served by the program may not be removed from a program under this subdivision for failure to consent to electronic monitoring. The consent form must explain where and how the electronically recorded data is stored, with whom it will be shared, and how long it is retained; and

(6) the risks and benefits of the alternative overnight supervision system.

The written explanations under clauses (1) to (6) may be accomplished through cross-references to other policies and procedures as long as they are explained to the person giving consent, and the person giving consent is offered a copy.

(g) Nothing in this section requires the applicant or license holder to develop or maintain separate or duplicative policies, procedures, documentation, consent forms, or individual plans that may be required for other licensing standards, if the requirements of this section are incorporated into those documents.

(h) The commissioner may grant variances to the requirements of this section according to section 245A.04, subdivision 9.

(i) For the purposes of paragraphs (d) through (h), "license holder" has the meaning under section 245A.02, subdivision 9, and additionally includes all staff, volunteers, and contractors affiliated with the license holder.

(j) For the purposes of paragraph (e), the terms "assess" and "assessing" mean to remotely determine what action the license holder needs to take to protect the well-being of the foster care recipient.

(k) The commissioner shall evaluate license applications using the requirements in paragraphs (d) to (f). The commissioner shall provide detailed application forms, including a checklist of criteria needed for approval.

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

(m) The commissioner shall review an application for an alternative overnight supervision license within 60 days of receipt of the application. When the commissioner receives an application that is incomplete because the applicant failed to submit required documents or that is substantially deficient because the documents submitted do not meet licensing requirements, the commissioner shall provide the applicant written notice that the application is incomplete or substantially deficient. In the written notice to the applicant, the commissioner shall identify documents that are missing or deficient and give the applicant 45 days to resubmit a second application that is substantially complete. An applicant's failure to submit a substantially complete application after receiving notice from the commissioner is a basis for license denial under section 245A.05. The commissioner shall complete subsequent review within 30 days.

(n) Once the application is considered complete under paragraph (m), the commissioner will approve or deny an application for an alternative overnight supervision license within 60 days.

(o) For the purposes of this subdivision, "supervision" means:

(1) oversight by a caregiver or direct support staff as specified in the individual resident's place agreement or support plan and awareness of the resident's needs and activities; and

(2) the presence of a caregiver or direct support staff in a residence during normal sleeping hours, unless a determination has been made and documented in the individual's support plan that the individual does not require the presence of a caregiver or direct support staff during normal sleeping hours.

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

Sec. 5. Minnesota Statutes 2022, section 245D.03, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** (a) The commissioner shall regulate the provision of home and community-based services to persons with disabilities and persons age 65 and older pursuant to this chapter. The licensing standards in this chapter govern the provision of basic support services and intensive support services.

(b) Basic support services provide the level of assistance, supervision, and care that is necessary to ensure the health and welfare of the person and do not include services that are specifically directed toward the training, treatment, habilitation, or rehabilitation of the person. Basic support services include:

(1) in-home and out-of-home respite care services as defined in section 245A.02, subdivision 15, and under the brain injury, community alternative care, community access for disability inclusion, developmental disabilities, and elderly waiver plans, excluding out-of-home respite care provided to children in a family child foster care home licensed under Minnesota Rules, parts 2960.3000 to 2960.3100, when the child foster care license holder complies with the requirements under section 245D.06, subdivisions 5, 6, 7, and 8, or successor provisions; and section 245D.061 or successor provisions, which must be stipulated in the statement of intended use required under Minnesota Rules, part 2960.3000, subpart 4;

(2) adult companion services as defined under the brain injury, community access for disability inclusion, community alternative care, and elderly waiver plans, excluding adult companion services provided under the Corporation for National and Community Services Senior Companion Program established under the Domestic Volunteer Service Act of 1973, Public Law 98-288;

(3) personal support as defined under the developmental disabilities waiver plan;

(4) 24-hour emergency assistance, personal emergency response as defined under the community access for disability inclusion and developmental disabilities waiver plans;

(5) night supervision services as defined under the brain injury, community access for disability inclusion, community alternative care, and developmental disabilities waiver plans;

(6) homemaker services as defined under the community access for disability inclusion, brain injury, community alternative care, developmental disabilities, and elderly waiver plans, excluding providers licensed by the Department of Health under chapter 144A and those providers providing cleaning services only;

(7) individual community living support under section 256S.13; and

(8) individualized home supports services as defined under the brain injury, community alternative care, and community access for disability inclusion, and developmental disabilities waiver plans.

(c) Intensive support services provide assistance, supervision, and care that is necessary to ensure the health and welfare of the person and services specifically directed toward the training, habilitation, or rehabilitation of the person. Intensive support services include:

(1) intervention services, including:

(i) positive support services as defined under the brain injury and community access for disability inclusion, community alternative care, and developmental disabilities waiver plans;

(ii) in-home or out-of-home crisis respite services as defined under the brain injury, community access for disability inclusion, community alternative care, and developmental disabilities waiver plans; and

(iii) specialist services as defined under the current brain injury, community access for disability inclusion, community alternative care, and developmental disabilities waiver plans;

(2) in-home support services, including:

(i) in-home family support and supported living services as defined under the developmental disabilities waiver plan;

(ii) independent living services training as defined under the brain injury and community access for disability inclusion waiver plans;

(iii) semi-independent living services;

(iv) individualized home support with training services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans; and

(v) individualized home support with family training services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans;

(3) residential supports and services, including:

(i) supported living services as defined under the developmental disabilities waiver plan provided in a family or corporate child foster care residence, a family adult foster care residence, a community residential setting, or a supervised living facility;

(ii) foster care services as defined in the brain injury, community alternative care, and community access for disability inclusion waiver plans provided in a family or corporate child foster care residence, a family adult foster care residence, or a community residential setting;

(iii) community residential services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans provided in a corporate child foster care residence, a community residential setting, or a supervised living facility;

(iv) family residential services as defined in the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans provided in a family child foster care residence or a family adult foster care residence; ~~and~~

(v) residential services provided to more than four persons with developmental disabilities in a supervised living facility, including ICFs/DD; and

(vi) life sharing as defined in the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans;

(4) day services, including:

(i) structured day services as defined under the brain injury waiver plan;

(ii) day services under sections 252.41 to 252.46, and as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans;

(iii) day training and habilitation services under sections 252.41 to 252.46, and as defined under the developmental disabilities waiver plan; and

(iv) prevocational services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans; and

(5) employment exploration services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans;

(6) employment development services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans;

(7) employment support services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans; and

(8) integrated community support as defined under the brain injury and community access for disability inclusion waiver plans beginning January 1, 2021, and community alternative care and developmental disabilities waiver plans beginning January 1, 2023.

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

Sec. 6. [245D.261] COMMUNITY RESIDENTIAL SETTINGS; REMOTE OVERNIGHT SUPERVISION.

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

(b) "Resident" means an adult residing in a community residential setting.

(c) "Technology" means:

(1) enabling technology, which is a device capable of live two-way communication or engagement between a resident and direct support staff at a remote location; or

(2) monitoring technology, which is the use of equipment to oversee, monitor, and supervise an individual who receives medical assistance waiver or alternative care services under section 256B.0913, 256B.092, or 256B.49 or chapter 256S.

Subd. 2. **Documentation of permissible remote overnight supervision.** A license holder providing remote overnight supervision in a community residential setting in lieu of on-site direct support staff must comply with the requirements of this chapter, including the requirement under section 245D.02, subdivision 33b, paragraph (a), clause (3), that the absence of direct support staff from the community residential setting while services are being delivered must be documented in the resident's support plan or support plan addendum.

Subd. 3. **Provider requirements for remote overnight supervision; commissioner notification.**

(a) A license holder providing remote overnight supervision in a community residential setting must:

(1) use technology;

(2) notify the commissioner of the community residential setting's intent to use technology in lieu of on-site staff. The notification must:

(i) indicate a start date for the use of technology; and

(ii) attest that all requirements under this section are met and policies required under subdivision 4 are available upon request;

(3) clearly state in each person's support plan addendum that the community residential setting is a program without the in-person presence of overnight direct support;

(4) include with each person's support plan addendum the license holder's protocols for responding to situations that present a serious risk to the health, safety, or rights of residents served by the program; and

(5) include in each person's support plan addendum the person's maximum permissible response time as determined by the person's support team.

(b) Upon being notified via technology that an incident has occurred that may jeopardize the health, safety, or rights of a resident, the license holder must document an evaluation of the need for the physical presence of a staff member. If a physical presence is needed, a staff person, volunteer, or contractor must be on site to respond to the situation within the resident's maximum permissible response time.

(c) A license holder must notify the commissioner if remote overnight supervision technology will no longer be used by the license holder.

(d) Upon receipt of notification of use of remote overnight supervision or discontinuation of use of remote overnight supervision by a license holder, the commissioner shall notify the county licensing agency and update the license.

Subd. 4. **Required policies and procedures for remote overnight supervision.** (a) A license holder providing remote overnight supervision must have policies and procedures that:

(1) protect the residents' health, safety, and rights;

(2) explain the discharge process if a person served by the program requires in-person supervision or other services that cannot be provided by the license holder due to the limited hours that direct support staff are on site, including information explaining that if a resident provides informed consent to the use of monitoring technology but later revokes their consent, the resident may be subject to a service termination in accordance with section 245D.10, subdivision 3a;

(3) ensure that services may not be terminated for any person or resident currently served by the program and receiving in-person services solely because the person declines to provide informed consent to the initial change to the use of monitoring technology as required under subdivision 5;

(4) explain the backup system for technology in times of electrical outages or other equipment malfunctions;

(5) explain how the license holder trains the direct support staff on the use of the technology;
and

(6) establish a plan for dispatching emergency response personnel to the site in the event of an identified emergency.

(b) Nothing in this section requires the license holder to develop or maintain separate or duplicative policies, procedures, documentation, consent forms, or individual plans that may be required for other licensing standards if the requirements of this section are incorporated into those documents.

(c) When no physical presence response is completed for a three-month period, the license holder must conduct a physical presence response drill. The effectiveness of the response protocol must be reviewed and documented.

Subd. 5. **Consent to use of monitoring technology.** If a license holder uses monitoring technology in a community residential setting, the license holder must obtain a signed informed consent form from each resident served by the program or the resident's legal representative documenting the resident's or legal representative's agreement to use of the specific monitoring technology used in the setting. The informed consent form documenting this agreement must also explain:

(1) how the license holder uses monitoring technology to provide remote supervision;

(2) the risks and benefits of using monitoring technology;

(3) how the license holder protects each resident's privacy while monitoring technology is being used in the setting; and

(4) how the license holder protects each resident's privacy when the monitoring technology system electronically records personally identifying data.

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

Sec. 7. [252.54] STATEWIDE DISABILITY EMPLOYMENT TECHNICAL ASSISTANCE CENTER.

The commissioner must establish a statewide technical assistance center to provide resources and assistance to programs, people, and families to support individuals with disabilities to achieve meaningful and competitive employment in integrated settings. Duties of the technical assistance center include but are not limited to:

(1) offering provider business model transition support to ensure ongoing access to employment and day services;

(2) identifying and providing training on innovative, promising, and emerging practices;

(3) maintaining a resource clearinghouse to serve as a hub of information to ensure programs, people, and families have access to high-quality materials and information;

(4) fostering innovation and actionable progress by providing direct technical assistance to programs; and

(5) cultivating partnerships and mentorship across support programs, people, and families in the exploration of and successful transition to competitive, integrated employment.

Sec. 8. [252.55] LEAD AGENCY EMPLOYMENT FIRST CAPACITY BUILDING GRANTS.

The commissioner shall establish a grant program to expand lead agency capacity to support people with disabilities to contemplate, explore, and maintain competitive, integrated employment options. Allowable uses of money include:

(1) enhancing resources and staffing to support people and families in understanding employment options and navigating service options;

(2) implementing and testing innovative approaches to better support people with disabilities and their families in achieving competitive, integrated employment; and

(3) other activities approved by the commissioner.

Sec. 9. Minnesota Statutes 2022, section 256.01, subdivision 19, is amended to read:

Subd. 19. **Grants for ~~ease management~~ supportive services to persons with HIV or AIDS.** The commissioner may award grants to eligible vendors for the development, implementation, and evaluation of ~~ease management~~ supportive services for individuals infected with the human immunodeficiency virus. HIV/AIDS ~~ease management~~ supportive services will be provided to increase access to cost effective health care services, to reduce the risk of HIV transmission, to ensure that basic client needs are met, and to increase client access to needed community supports or services.

Sec. 10. [256.4764] LONG-TERM SERVICES AND SUPPORTS WORKFORCE INCENTIVE GRANTS.

Subdivision 1. **Grant program established.** The commissioner of human services shall establish grants for long-term services and supports providers and facilities to assist with recruiting and retaining direct support professionals.

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

(b) "Commissioner" means the commissioner of human services.

(c) "Eligible employer" means an organization enrolled in a Minnesota health care program that is:

(1) a provider of home and community-based services under Minnesota Statutes, chapter 245D;

(2) a facility certified as an intermediate care facility for persons with developmental disabilities;

(3) a nursing facility under section 256R.02, subdivision 33;

(4) a provider of personal care assistance services under section 256B.0659;

(5) a provider of community first services and supports under section 256B.85;

(6) a provider of early intensive developmental and behavioral intervention services under section 256B.0949;

(7) a provider of home care services as defined under section 256B.0651, subdivision 1, paragraph (d);

(8) an eligible financial management services provider serving people through consumer-directed community supports under chapter 256S and sections 256B.092 and 256B.49, or consumer support grants under section 256.476; or

(9) a provider of customized living services as defined in section 256S.02.

(d) "Eligible worker" means a worker who earns \$30 per hour or less and is currently employed or recruited to be employed by an eligible employer.

Subd. 3. **Allowable uses of grant money.** (a) Grantees must use grant money to provide payments to eligible workers for the following purposes:

(1) retention, recruitment, and incentive payments;

(2) postsecondary loan and tuition payments;

(3) child care costs;

(4) transportation-related costs;

(5) personal care assistant background study costs; and

(6) other costs associated with retaining and recruiting workers, as approved by the commissioner.

(b) Eligible workers may receive cumulative payments up to \$1,000 per year from the workforce incentive grant account and all other state money intended for the same purpose.

(c) The commissioner must develop a grant cycle distribution plan that allows for equitable distribution of money among eligible employers. The commissioner's determination of the grant awards and amounts is final and is not subject to appeal.

Subd. 4. **Attestation.** As a condition of obtaining grant payments under this section, an eligible employer must attest and agree to the following:

(1) the employer is an eligible employer;

(2) the total number of eligible employees;

(3) the employer will distribute the entire value of the grant to eligible workers allowed under this section;

(4) the employer will create and maintain records under subdivision 6;

(5) the employer will not use the money appropriated under this section for any purpose other than the purposes permitted under this section; and

(6) the entire value of any grant amounts will be distributed to eligible workers identified by the employer.

Subd. 5. **Distribution plan; report.** (a) Each grantee shall prepare, and upon request submit to the commissioner, a distribution plan that specifies the amount of money the grantee expects to receive and how that money will be distributed for recruitment and retention purposes for eligible employees. Within 60 days of receiving the grant, the grantee must post the distribution plan and leave it posted for a period of at least six months in an area of the grantee's operation to which all direct support professionals have access.

(b) Within 12 months of receiving a grant under this section, each grantee that receives a grant shall submit a report to the commissioner that includes the following information:

(1) a description of how grant money was distributed to eligible employees; and

(2) the total dollar amount distributed.

(c) Failure to submit the report under paragraph (b) may result in recoupment of grant money.

Subd. 6. **Audits and recoupment.** (a) The commissioner may perform an audit under this section up to six years after a grant is awarded to ensure:

(1) the grantee used the money solely for allowable purposes under subdivision 3;

(2) the grantee was truthful when making attestations under subdivision 4; and

(3) the grantee complied with the conditions of receiving a grant under this section.

(b) If the commissioner determines that a grantee used grant money for purposes not authorized under this section, the commissioner must treat any amount used for a purpose not authorized under this section as an overpayment. The commissioner must recover any overpayment.

Subd. 7. **Grants not to be considered income.** (a) Notwithstanding any law to the contrary, grant awards under this section must not be considered income, assets, or personal property for purposes of determining eligibility or recertifying eligibility for:

(1) child care assistance programs under chapter 119B;

(2) general assistance, Minnesota supplemental aid, and food support under chapter 256D;

(3) housing support under chapter 256I;

(4) the Minnesota family investment program and diversionary work program under chapter 256J; and

(5) economic assistance programs under chapter 256P.

(b) The commissioner must not consider grant awards under this section as income or assets under section 256B.056, subdivision 1a, paragraph (a), 3, or 3c, or for persons with eligibility determined under section 256B.057, subdivision 3, 3a, 3b, 4, or 9.

Subd. 8. **Income tax subtractions.** (a) For the purposes of this section, "subtraction" has the meaning given in section 290.0132, subdivision 1, and the rules in that subdivision apply for this section. The definitions in section 290.01 apply to this section.

(b) The amount of a payment received under this section is a subtraction.

(c) Payments under this section and Laws 2021, First Special Session chapter 7, article 17, section 20, as amended, are excluded from income as defined in sections 290.0674, subdivision 2a, and 290A.03, subdivision 3.

Subd. 9. **Account created.** A workforce incentive grant account is created in the special revenue fund. Appropriations made for grants and payments administered under this section may be transferred to this account. Amounts in the account are appropriated to the commissioner of human services. Appropriations transferred to this account cancel and are returned to the fund of origin on the date the original appropriations would have lapsed.

Subd. 10. **Nursing facilities; applicable credit.** The commissioner must treat grant payments awarded under this section as an applicable credit as defined under section 256R.10, subdivision 6.

Subd. 11. **Self-directed services workforce.** Payments administered under this section, including reimbursements for paid family medical leave premiums, do not constitute a change in a term or condition for individual providers as defined in section 256B.0711 in covered programs and are not subject to the state's obligation to meet and negotiate under chapter 179A.

Sec. 11. [256.4773] TECHNOLOGY FOR HOME GRANT.

Subdivision 1. **Establishment.** The commissioner must establish a technology for home grant program that provides assistive technology consultations and resources for people with disabilities who want to stay in their own home, move to their own home, or remain in a less restrictive residential setting. The grant program may be administered using a team approach that allows multiple professionals to assess and meet a person's assistive technology needs. The team may include but is not limited to occupational therapists, physical therapists, speech therapists, nurses, and engineers.

Subd. 2. **Eligible applicants.** An eligible applicant is a person who uses or is eligible for home care services under section 256B.0651, home and community-based services under section 256B.092 or 256B.49, personal care assistance under section 256B.0659, or community first services and supports under section 256B.85, and who meets one of the following conditions:

(1) lives in the applicant's own home and may benefit from assistive technology for safety, communication, community engagement, or independence;

(2) is currently seeking to live in the applicant's own home and needs assistive technology to meet that goal; or

(3) resides in a residential setting under section 256B.4914, subdivision 3, and is seeking to reduce reliance on paid staff to live more independently in the setting.

Subd. 3. **Allowable grant activities.** The technology for home grant program must provide at-home, in-person assistive technology consultation and technical assistance to help people with disabilities live more independently. Allowable activities include but are not limited to:

(1) consultations in people's homes, workplaces, or community locations;

(2) connecting people to resources to help them live in their own homes, transition to their own homes, or live more independently in residential settings;

(3) conducting training for and set up and installation of assistive technology; and

(4) participating on a person's care team to develop a plan to ensure assistive technology goals are met.

Subd. 4. **Data collection and outcomes.** Grantees must provide data summaries to the commissioner for the purpose of evaluating the effectiveness of the grant program. The commissioner must identify outcome measures to evaluate program activities to assess whether the grant programs help people transition to or remain in the least restrictive setting.

Sec. 12. Minnesota Statutes 2022, section 256B.0659, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in paragraphs (b) to (r) have the meanings given unless otherwise provided in text.

(b) "Activities of daily living" means grooming, dressing, bathing, transferring, mobility, positioning, eating, and toileting.

(c) "Behavior," effective January 1, 2010, means a category to determine the home care rating and is based on the criteria found in this section. "Level I behavior" means physical aggression

~~towards~~ toward self, others, or destruction of property that requires the immediate response of another person.

(d) "Complex health-related needs," effective January 1, 2010, means a category to determine the home care rating and is based on the criteria found in this section.

(e) "Critical activities of daily living," effective January 1, 2010, means transferring, mobility, eating, and toileting.

(f) "Dependency in activities of daily living" means a person requires assistance to begin and complete one or more of the activities of daily living.

(g) "Extended personal care assistance service" means personal care assistance services included in a service plan under one of the home and community-based services waivers authorized under chapter 256S and sections 256B.092, subdivision 5, and 256B.49, which exceed the amount, duration, and frequency of the state plan personal care assistance services for participants who:

(1) need assistance provided periodically during a week, but less than daily will not be able to remain in their homes without the assistance, and other replacement services are more expensive or are not available when personal care assistance services are to be reduced; or

(2) need additional personal care assistance services beyond the amount authorized by the state plan personal care assistance assessment in order to ensure that their safety, health, and welfare are provided for in their homes.

(h) "Health-related procedures and tasks" means procedures and tasks that can be delegated or assigned by a licensed health care professional under state law to be performed by a personal care assistant.

(i) "Instrumental activities of daily living" means activities to include meal planning and preparation; basic assistance with paying bills; shopping for food, clothing, and other essential items; performing household tasks integral to the personal care assistance services; communication by telephone and other media; and traveling, including to medical appointments and to participate in the community. For purposes of this paragraph, traveling includes driving and accompanying the recipient in the recipient's chosen mode of transportation and according to the recipient's personal care assistance care plan.

(j) "Managing employee" has the same definition as Code of Federal Regulations, title 42, section 455.

(k) "Qualified professional" means a professional providing supervision of personal care assistance services and staff as defined in section 256B.0625, subdivision 19c.

(l) "Personal care assistance provider agency" means a medical assistance enrolled provider that provides or assists with providing personal care assistance services and includes a personal care assistance provider organization, personal care assistance choice agency, class A licensed nursing agency, and Medicare-certified home health agency.

(m) "Personal care assistant" or "PCA" means an individual employed by a personal care assistance agency who provides personal care assistance services.

(n) "Personal care assistance care plan" means a written description of personal care assistance services developed by the personal care assistance provider according to the service plan.

(o) "Responsible party" means an individual who is capable of providing the support necessary to assist the recipient to live in the community.

(p) "Self-administered medication" means medication taken orally, by injection, nebulizer, or insertion, or applied topically without the need for assistance.

(q) "Service plan" means a written summary of the assessment and description of the services needed by the recipient.

(r) "Wages and benefits" means wages and salaries, the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, mileage reimbursement, health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, and contributions to employee retirement accounts.

EFFECTIVE DATE. This section is effective 90 days following federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 13. Minnesota Statutes 2022, section 256B.0659, subdivision 12, is amended to read:

Subd. 12. **Documentation of personal care assistance services provided.** (a) Personal care assistance services for a recipient must be documented daily by each personal care assistant, on a time sheet form approved by the commissioner. All documentation may be web-based, electronic, or paper documentation. The completed form must be submitted on a monthly basis to the provider and kept in the recipient's health record.

(b) The activity documentation must correspond to the personal care assistance care plan and be reviewed by the qualified professional.

(c) The personal care assistant time sheet must be on a form approved by the commissioner documenting time the personal care assistant provides services in the home. The following criteria must be included in the time sheet:

(1) full name of personal care assistant and individual provider number;

(2) provider name and telephone numbers;

(3) full name of recipient and either the recipient's medical assistance identification number or date of birth;

(4) consecutive dates, including month, day, and year, and arrival and departure times with a.m. or p.m. notations;

(5) signatures of recipient or the responsible party;

- (6) personal signature of the personal care assistant;
- (7) any shared care provided, if applicable;
- (8) a statement that it is a federal crime to provide false information on personal care service billings for medical assistance payments; ~~and~~
- (9) dates and location of recipient stays in a hospital, care facility, or incarceration; and
- (10) any time spent traveling, as described in subdivision 1, paragraph (i), including start and stop times with a.m. and p.m. designations, the origination site, and the destination site.

EFFECTIVE DATE. This section is effective 90 days following federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 14. Minnesota Statutes 2022, section 256B.0659, is amended by adding a subdivision to read:

Subd. 14a. Qualified professional; remote supervision. (a) For recipients with chronic health conditions or severely compromised immune systems, a qualified professional may conduct the supervision required under subdivision 14 via two-way interactive audio and visual telecommunication if, at the recipient's request, the recipient's primary health care provider:

- (1) determines that remote supervision is appropriate; and
- (2) documents the determination under clause (1) in a statement of need or other document that is subsequently included in the recipient's personal care assistance care plan.
- (b) Notwithstanding any other provision of law, a care plan developed or amended via remote supervision may be executed by electronic signature.
- (c) A personal care assistance provider agency must not conduct its first supervisory visit for a recipient or complete its initial personal care assistance care plan via a remote visit.
- (d) A recipient may request to return to in-person supervisory visits at any time.

EFFECTIVE DATE. This section is effective July 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 15. Minnesota Statutes 2022, section 256B.0659, subdivision 19, is amended to read:

Subd. 19. Personal care assistance choice option; qualifications; duties. (a) Under personal care assistance choice, the recipient or responsible party shall:

- (1) recruit, hire, schedule, and terminate personal care assistants according to the terms of the written agreement required under subdivision 20, paragraph (a);
- (2) develop a personal care assistance care plan based on the assessed needs and addressing the health and safety of the recipient with the assistance of a qualified professional as needed;

(3) orient and train the personal care assistant with assistance as needed from the qualified professional;

(4) supervise and evaluate the personal care assistant with the qualified professional, who is required to visit the recipient at least every 180 days;

(5) monitor and verify in writing and report to the personal care assistance choice agency the number of hours worked by the personal care assistant and the qualified professional;

(6) engage in an annual reassessment as required in subdivision 3a to determine continuing eligibility and service authorization; ~~and~~

(7) use the same personal care assistance choice provider agency if shared personal assistance care is being used; and

(8) ensure that a personal care assistant driving the recipient under subdivision 1, paragraph (i), has a valid driver's license and the vehicle used is registered and insured according to Minnesota law.

(b) The personal care assistance choice provider agency shall:

(1) meet all personal care assistance provider agency standards;

(2) enter into a written agreement with the recipient, responsible party, and personal care assistants;

(3) not be related as a parent, child, sibling, or spouse to the recipient or the personal care assistant; and

(4) ensure arm's-length transactions without undue influence or coercion with the recipient and personal care assistant.

(c) The duties of the personal care assistance choice provider agency are to:

(1) be the employer of the personal care assistant and the qualified professional for employment law and related regulations including but not limited to purchasing and maintaining workers' compensation, unemployment insurance, surety and fidelity bonds, and liability insurance, and submit any or all necessary documentation including but not limited to workers' compensation, unemployment insurance, and labor market data required under section 256B.4912, subdivision 1a;

(2) bill the medical assistance program for personal care assistance services and qualified professional services;

(3) request and complete background studies that comply with the requirements for personal care assistants and qualified professionals;

(4) pay the personal care assistant and qualified professional based on actual hours of services provided;

(5) withhold and pay all applicable federal and state taxes;

(6) verify and keep records of hours worked by the personal care assistant and qualified professional;

(7) make the arrangements and pay taxes and other benefits, if any, and comply with any legal requirements for a Minnesota employer;

(8) enroll in the medical assistance program as a personal care assistance choice agency; and

(9) enter into a written agreement as specified in subdivision 20 before services are provided.

EFFECTIVE DATE. This section is effective 90 days following federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 16. Minnesota Statutes 2022, section 256B.0659, subdivision 24, is amended to read:

Subd. 24. **Personal care assistance provider agency; general duties.** A personal care assistance provider agency shall:

(1) enroll as a Medicaid provider meeting all provider standards, including completion of the required provider training;

(2) comply with general medical assistance coverage requirements;

(3) demonstrate compliance with law and policies of the personal care assistance program to be determined by the commissioner;

(4) comply with background study requirements;

(5) verify and keep records of hours worked by the personal care assistant and qualified professional;

(6) not engage in any agency-initiated direct contact or marketing in person, by phone, or other electronic means to potential recipients, guardians, or family members;

(7) pay the personal care assistant and qualified professional based on actual hours of services provided;

(8) withhold and pay all applicable federal and state taxes;

(9) document that the agency uses a minimum of 72.5 percent of the revenue generated by the medical assistance rate for personal care assistance services for employee personal care assistant wages and benefits. The revenue generated by the qualified professional and the reasonable costs associated with the qualified professional shall not be used in making this calculation;

(10) make the arrangements and pay unemployment insurance, taxes, workers' compensation, liability insurance, and other benefits, if any;

(11) enter into a written agreement under subdivision 20 before services are provided;

(12) report suspected neglect and abuse to the common entry point according to section 256B.0651;

(13) provide the recipient with a copy of the home care bill of rights at start of service;

(14) request reassessments at least 60 days prior to the end of the current authorization for personal care assistance services, on forms provided by the commissioner;

(15) comply with the labor market reporting requirements described in section 256B.4912, subdivision 1a; ~~and~~

(16) document that the agency uses the additional revenue due to the enhanced rate under subdivision 17a for the wages and benefits of the PCAs whose services meet the requirements under subdivision 11, paragraph (d); and

(17) ensure that a personal care assistant driving a recipient under subdivision 1, paragraph (i), has a valid driver's license and the vehicle used is registered and insured according to Minnesota law.

EFFECTIVE DATE. This section is effective 90 days following federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 17. Minnesota Statutes 2022, section 256B.0911, subdivision 13, is amended to read:

Subd. 13. **MnCHOICES assessor qualifications, training, and certification.** (a) The commissioner shall develop and implement a curriculum and an assessor certification process.

(b) MnCHOICES certified assessors must:

(1) either have a bachelor's degree in social work, nursing with a public health nursing certificate, or other closely related field ~~with at least one year of home and community-based experience~~ or be a registered nurse with at least two years of home and community-based experience; and

(2) have received training and certification specific to assessment and consultation for long-term care services in the state.

(c) Certified assessors shall demonstrate best practices in assessment and support planning, including person-centered planning principles, and have a common set of skills that ensures consistency and equitable access to services statewide.

(d) Certified assessors must be recertified every three years.

Sec. 18. Minnesota Statutes 2022, section 256B.092, subdivision 1a, is amended to read:

Subd. 1a. **Case management services.** (a) Each recipient of a home and community-based waiver shall be provided case management services by qualified vendors as described in the federally approved waiver application.

(b) Case management service activities provided to or arranged for a person include:

(1) development of the person-centered support plan under subdivision 1b;

(2) informing the individual or the individual's legal guardian or conservator, or parent if the person is a minor, of service options, including all service options available under the waiver plan;

(3) consulting with relevant medical experts or service providers;

(4) assisting the person in the identification of potential providers of chosen services, including:

(i) providers of services provided in a non-disability-specific setting;

(ii) employment service providers;

(iii) providers of services provided in settings that are not controlled by a provider; and

(iv) providers of financial management services;

(5) assisting the person to access services and assisting in appeals under section 256.045;

(6) coordination of services, if coordination is not provided by another service provider;

(7) evaluation and monitoring of the services identified in the support plan, which must incorporate at least one annual face-to-face visit by the case manager with each person; and

(8) reviewing support plans and providing the lead agency with recommendations for service authorization based upon the individual's needs identified in the support plan.

(c) Case management service activities that are provided to the person with a developmental disability shall be provided directly by county agencies or under contract. If a county agency contracts for case management services, the county agency must provide each recipient of home and community-based services who is receiving contracted case management services with the contact information the recipient may use to file a grievance with the county agency about the quality of the contracted services the recipient is receiving from a county-contracted case manager. Case management services must be provided by a public or private agency that is enrolled as a medical assistance provider determined by the commissioner to meet all of the requirements in the approved federal waiver plans. Case management services must not be provided to a recipient by a private agency that has a financial interest in the provision of any other services included in the recipient's support plan. For purposes of this section, "private agency" means any agency that is not identified as a lead agency under section 256B.0911, subdivision 10.

(d) Case managers are responsible for service provisions listed in paragraphs (a) and (b). Case managers shall collaborate with consumers, families, legal representatives, and relevant medical experts and service providers in the development and annual review of the person-centered support plan and habilitation plan.

(e) For persons who need a positive support transition plan as required in chapter 245D, the case manager shall participate in the development and ongoing evaluation of the plan with the expanded support team. At least quarterly, the case manager, in consultation with the expanded support team, shall evaluate the effectiveness of the plan based on progress evaluation data submitted by the licensed provider to the case manager. The evaluation must identify whether the plan has been developed and implemented in a manner to achieve the following within the required timelines:

- (1) phasing out the use of prohibited procedures;
 - (2) acquisition of skills needed to eliminate the prohibited procedures within the plan's timeline;
- and
- (3) accomplishment of identified outcomes.

If adequate progress is not being made, the case manager shall consult with the person's expanded support team to identify needed modifications and whether additional professional support is required to provide consultation.

(f) The Department of Human Services shall offer ongoing education in case management to case managers. Case managers shall receive no less than ~~ten~~ 20 hours of case management education and disability-related training each year. The education and training must include person-centered planning, informed choice, cultural competency, employment planning, community living planning, self-direction options, and use of technology supports. By August 1, 2024, all case managers must complete an employment support training course identified by the commissioner of human services. For case managers hired after August 1, 2024, this training must be completed within the first six months of providing case management services. For the purposes of this section, "person-centered planning" or "person-centered" has the meaning given in section 256B.0911, subdivision 10. Case managers must document completion of training in a system identified by the commissioner.

Sec. 19. Minnesota Statutes 2022, section 256B.0949, subdivision 15, is amended to read:

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

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

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

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

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

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

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

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

(iii) a board-certified behavior analyst; or

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

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

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

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

(ii) has certification as a board-certified assistant behavior analyst from the Behavior Analyst Certification Board;

(iii) is a registered behavior technician as defined by the Behavior Analyst Certification Board;
or

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

(2) a person who has:

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

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

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

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

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

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

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

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

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

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

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

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

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

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 20. Minnesota Statutes 2022, section 256B.49, subdivision 13, is amended to read:

Subd. 13. **Case management.** (a) Each recipient of a home and community-based waiver shall be provided case management services by qualified vendors as described in the federally approved waiver application. The case management service activities provided must include:

(1) finalizing the person-centered written support plan within the timelines established by the commissioner and section 256B.0911, subdivision 29;

(2) informing the recipient or the recipient's legal guardian or conservator of service options, including all service options available under the waiver plans;

(3) assisting the recipient in the identification of potential service providers of chosen services, including:

(i) available options for case management service and providers;

(ii) providers of services provided in a non-disability-specific setting;

(iii) employment service providers;

(iv) providers of services provided in settings that are not community residential settings; and

(v) providers of financial management services;

(4) assisting the recipient to access services and assisting with appeals under section 256.045; and

(5) coordinating, evaluating, and monitoring of the services identified in the service plan.

(b) The case manager may delegate certain aspects of the case management service activities to another individual provided there is oversight by the case manager. The case manager may not delegate those aspects which require professional judgment including:

(1) finalizing the person-centered support plan;

(2) ongoing assessment and monitoring of the person's needs and adequacy of the approved person-centered support plan; and

(3) adjustments to the person-centered support plan.

(c) Case management services must be provided by a public or private agency that is enrolled as a medical assistance provider determined by the commissioner to meet all of the requirements in the approved federal waiver plans. Case management services must not be provided to a recipient by a private agency that has any financial interest in the provision of any other services included in the recipient's support plan. For purposes of this section, "private agency" means any agency that is not identified as a lead agency under section 256B.0911, subdivision 10.

(d) For persons who need a positive support transition plan as required in chapter 245D, the case manager shall participate in the development and ongoing evaluation of the plan with the expanded support team. At least quarterly, the case manager, in consultation with the expanded support team, shall evaluate the effectiveness of the plan based on progress evaluation data submitted by the licensed provider to the case manager. The evaluation must identify whether the plan has been developed and implemented in a manner to achieve the following within the required timelines:

(1) phasing out the use of prohibited procedures;

(2) acquisition of skills needed to eliminate the prohibited procedures within the plan's timeline; and

(3) accomplishment of identified outcomes.

If adequate progress is not being made, the case manager shall consult with the person's expanded support team to identify needed modifications and whether additional professional support is required to provide consultation.

(e) The Department of Human Services shall offer ongoing education in case management to case managers. Case managers shall receive no less than ~~ten~~ 20 hours of case management education and disability-related training each year. The education and training must include person-centered planning, informed choice, cultural competency, employment planning, community living planning, self-direction options, and use of technology supports. By August 1, 2024, all case managers must complete an employment support training course identified by the commissioner of human services. For case managers hired after August 1, 2024, this training must be completed within the first six months of providing case management services. For the purposes of this section, "person-centered

planning" or "person-centered" has the meaning given in section 256B.0911, subdivision 10. Case managers shall document completion of training in a system identified by the commissioner.

Sec. 21. Minnesota Statutes 2022, section 256B.4905, subdivision 4a, is amended to read:

Subd. 4a. **Informed choice in employment policy.** It is the policy of this state that working-age individuals who have disabilities:

(1) can work and achieve competitive integrated employment with appropriate services and supports, as needed;

(2) make informed choices about their postsecondary education, work, and career goals; ~~and~~

(3) will be offered the opportunity to make an informed choice, at least annually, to pursue postsecondary education or to work and earn a competitive wage; and

(4) will be offered benefits planning assistance and supports to understand available work incentive programs and to understand the impact of work on benefits.

Sec. 22. **[256B.4906] SUBMINIMUM WAGES IN HOME AND COMMUNITY-BASED SERVICES REPORTING.**

(a) A provider of home and community-based services for people with developmental disabilities under section 256B.092 or home and community-based services for people with disabilities under section 256B.49 that holds a credential listed in clause (1) or (2) as of August 1, 2023, must submit to the commissioner of human services data on individuals who are currently being paid subminimum wages or were being paid subminimum wages by the provider organization as of August 1, 2023:

(1) a certificate through the United States Department of Labor under United States Code, title 29, section 214(c), of the Fair Labor Standards Act authorizing the payment of subminimum wages to workers with disabilities; or

(2) a permit by the Minnesota Department of Labor and Industry under section 177.28.

(b) The report required under paragraph (a) must include the following data about each individual being paid subminimum wages:

(1) name;

(2) date of birth;

(3) identified race and ethnicity;

(4) disability type;

(5) key employment status measures as determined by the commissioner; and

(6) key community-life engagement measures as determined by the commissioner.

(c) The information in paragraph (b) must be submitted in a format determined by the commissioner.

(d) A provider must submit the data required under this section annually on a date specified by the commissioner. The commissioner must give a provider at least 30 calendar days to submit the data following notice of the due date. If a provider fails to submit the requested data by the date specified by the commissioner, the commissioner may delay medical assistance reimbursement until the requested data is submitted.

(e) Individually identifiable data submitted to the commissioner under this section are considered private data on individuals as defined by section 13.02, subdivision 12.

(f) The commissioner must analyze data annually for tracking employment and community-life engagement outcomes.

Sec. 23. Minnesota Statutes 2022, section 256B.4911, is amended by adding a subdivision to read:

Subd. 6. **Services provided by parents and spouses.** (a) This subdivision limits medical assistance payments under the consumer-directed community supports option for personal assistance services provided by a parent to the parent's minor child or by a participant's spouse. This subdivision applies to the consumer-directed community supports option available under all of the following:

- (1) alternative care program;
- (2) brain injury waiver;
- (3) community alternative care waiver;
- (4) community access for disability inclusion waiver;
- (5) developmental disabilities waiver; and
- (6) elderly waiver.

(b) For the purposes of this subdivision, "parent" means a parent, stepparent, or legal guardian of a minor.

(c) If multiple parents are providing personal assistance services to their minor child or children, each parent may provide up to 40 hours of personal assistance services in any seven-day period regardless of the number of children served. The total number of hours of medical assistance home and community-based services provided by all of the parents must not exceed 80 hours in a seven-day period regardless of the number of children served.

(d) If only one parent is providing personal assistance services to a minor child or children, the parent may provide up to 60 hours of medical assistance home and community-based services in a seven-day period regardless of the number of children served.

(e) If a participant's spouse is providing personal assistance services, the spouse may provide up to 60 hours of medical assistance home and community-based services in a seven-day period.

(f) This subdivision must not be construed to permit an increase in the total authorized consumer-directed community supports budget for an individual.

EFFECTIVE DATE. This section is effective July 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 24. Minnesota Statutes 2022, section 256B.4912, is amended by adding a subdivision to read:

Subd. 1b. **Direct support professional annual labor market survey.** (a) The commissioner shall develop and administer a survey of direct care staff who work for organizations that provide services under the following programs:

(1) home and community-based services for seniors under chapter 256S and section 256B.0913, home and community-based services for people with developmental disabilities under section 256B.092, and home and community-based services for people with disabilities under section 256B.49;

(2) personal care assistance services under section 256B.0625, subdivision 19a; community first services and supports under section 256B.85; nursing services and home health services under section 256B.0625, subdivision 6a; home care nursing services under section 256B.0625, subdivision 7; and

(3) financial management services for participants who directly employ direct-care staff through consumer support grants under section 256.476; the personal care assistance choice program under section 256B.0659, subdivisions 18 to 20; community first services and supports under section 256B.85; and the consumer-directed community supports option available under the alternative care program, the brain injury waiver, the community alternative care waiver, the community access for disability inclusion waiver, the developmental disabilities waiver, the elderly waiver, and the Minnesota senior health option, except financial management services providers are not required to submit the data listed in subdivision 1a, clauses (7) to (11).

(b) The survey must collect information about the individual experience of the direct-care staff and any other information necessary to assess the overall economic viability and well-being of the workforce.

(c) For purposes of this subdivision, "direct-care staff" means employees, including self-employed individuals and individuals directly employed by a participant in a consumer-directed service delivery option, providing direct service to participants under this section. Direct-care staff does not include executive, managerial, or administrative staff.

(d) Individually identifiable data submitted to the commissioner under this section are considered private data on individuals as defined by section 13.02, subdivision 12.

(e) The commissioner shall analyze data submitted under this section annually to assess the overall economic viability and well-being of the workforce and the impact of the state of the workforce on access to services.

Sec. 25. Minnesota Statutes 2022, section 256B.4912, is amended by adding a subdivision to read:

Subd. 1c. **Annual labor market report.** The commissioner shall publish annual reports on provider and state-level labor market data, including but not limited to the data outlined in subdivisions 1a and 1b.

Sec. 26. Minnesota Statutes 2022, section 256B.4912, is amended by adding a subdivision to read:

Subd. 16. **Rates established by the commissioner.** For homemaker services eligible for reimbursement under the developmental disabilities waiver, the brain injury waiver, the community alternative care waiver, and the community access for disability inclusion waiver, the commissioner must establish rates equal to the rates established under sections 256S.21 to 256S.215 for the corresponding homemaker services.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 27. Minnesota Statutes 2022, section 256B.4914, subdivision 3, is amended to read:

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

- (1) 24-hour customized living;
- (2) adult day services;
- (3) adult day services bath;
- (4) community residential services;
- (5) customized living;
- (6) day support services;
- (7) employment development services;
- (8) employment exploration services;
- (9) employment support services;
- (10) family residential services;
- (11) individualized home supports;
- (12) individualized home supports with family training;
- (13) individualized home supports with training;
- (14) integrated community supports;

(15) life sharing;

~~(15)~~ (16) night supervision;

~~(16)~~ (17) positive support services;

~~(17)~~ (18) prevocational services;

~~(18)~~ (19) residential support services;

~~(19)~~ (20) respite services;

~~(20)~~ (21) transportation services; and

~~(21)~~ (22) other services as approved by the federal government in the state home and community-based services waiver plan.

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

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later, except that paragraph (b) is effective the day following final enactment. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 28. Minnesota Statutes 2022, section 256B.4914, subdivision 4, is amended to read:

Subd. 4. **Data collection for rate determination.** (a) Rates for applicable home and community-based waived services, including customized rates under subdivision 12, are set by the rates management system.

(b) Data and information in the rates management system must be used to calculate an individual's rate.

(c) Service providers, with information from the support plan and oversight by lead agencies, shall provide values and information needed to calculate an individual's rate in the rates management system. The determination of service levels must be part of a discussion with members of the support team as defined in section 245D.02, subdivision 34. This discussion must occur prior to the final establishment of each individual's rate. The values and information include:

(1) shared staffing hours;

(2) individual staffing hours;

(3) direct registered nurse hours;

(4) direct licensed practical nurse hours;

(5) staffing ratios;

(6) information to document variable levels of service qualification for variable levels of reimbursement in each framework;

- (7) shared or individualized arrangements for unit-based services, including the staffing ratio;
- (8) number of trips and miles for transportation services; and
- (9) service hours provided through monitoring technology.

(d) Updates to individual data must include:

(1) data for each individual that is updated annually when renewing service plans; and

(2) requests by individuals or lead agencies to update a rate whenever there is a change in an individual's service needs, with accompanying documentation.

(e) Lead agencies shall review and approve all services reflecting each individual's needs, and the values to calculate the final payment rate for services with variables under subdivisions 6 to ~~9a~~ 9 for each individual. Lead agencies must notify the individual and the service provider of the final agreed-upon values and rate, and provide information that is identical to what was entered into the rates management system. If a value used was mistakenly or erroneously entered and used to calculate a rate, a provider may petition lead agencies to correct it. Lead agencies must respond to these requests. When responding to the request, the lead agency must consider:

(1) meeting the health and welfare needs of the individual or individuals receiving services by service site, identified in their support plan under section 245D.02, subdivision 4b, and any addendum under section 245D.02, subdivision 4c;

(2) meeting the requirements for staffing under subdivision 2, paragraphs (h), (n), and (o); and meeting or exceeding the licensing standards for staffing required under section 245D.09, subdivision 1; and

(3) meeting the staffing ratio requirements under subdivision 2, paragraph (o), and meeting or exceeding the licensing standards for staffing required under section 245D.31.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 29. Minnesota Statutes 2022, section 256B.4914, subdivision 5, is amended to read:

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

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

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

(2) on ~~November~~ January 1, 2024, based on wage data by SOC from the Bureau of Labor Statistics ~~available as of December 31, 2021~~ published in March 2022; and

(3) on ~~July~~ January 1, 2026, and every two years thereafter, based on wage data by SOC from the Bureau of Labor Statistics ~~available 30 months and one day~~ published in the spring approximately 21 months prior to the scheduled update.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 30. Minnesota Statutes 2022, section 256B.4914, subdivision 5a, is amended to read:

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

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

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

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

(4) for residential asleep-overnight staff, the minimum wage in Minnesota for large employers; ~~with the exception of asleep-overnight staff for family residential services, which is 36 percent of the minimum wage in Minnesota for large employers;~~

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

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

(ii) 85 percent of the subtotal of 40 percent of the median wage for home health and personal care aide (SOC code 31-1120); 20 percent of the median wage for nursing assistant (SOC code ~~31-1014~~ 31-1131); 20 percent of the median wage for psychiatric technician (SOC code 29-2053); and 20 percent of the median wage for social and human services aide (SOC code 21-1093);

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

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

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

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

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

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

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

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

(14) for employment exploration services staff, 50 percent of the median wage for ~~rehabilitation counselor (SOC code 21-1015)~~ education, guidance, school, and vocational counselor (SOC code 21-1012); and 50 percent of the median wage for community and social services specialist (SOC code 21-1099);

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

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

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

~~(18) for respite staff, 50 percent of the median wage for home health and personal care aide (SOC code 31-1131); and 50 percent of the median wage for nursing assistant (SOC code 31-1014).~~

EFFECTIVE DATE. The amendment to clause (5), item (ii), the amendment to clause (14), and the amendment striking clause (18) are effective January 1, 2024, or upon federal approval, whichever is later. The amendment to clause (4) is effective January 1, 2026, or upon federal approval,

whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 31. Minnesota Statutes 2022, section 256B.4914, subdivision 5b, is amended to read:

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

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

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

(3) on ~~July~~ January 1, 2026, and every two years thereafter, by the percentage change in the CPI-U from the date of the previous update to the data available ~~30~~ 24 months and one day prior to the scheduled update.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later, except that the amendment striking the cross-reference to subdivision 9a and the amendments to clauses (2) and (3) are effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 32. Minnesota Statutes 2022, section 256B.4914, subdivision 6, is amended to read:

Subd. 6. **Residential support services; generally.** (a) For purposes of this section, residential support services includes 24-hour customized living services, community residential services, customized living services, ~~family residential services~~, and integrated community supports.

(b) A unit of service for residential support services is a day. Any portion of any calendar day, within allowable Medicaid rules, where an individual spends time in a residential setting is billable as a day. The number of days authorized for all individuals enrolling in residential support services must include every day that services start and end.

(c) When the available shared staffing hours in a residential setting are insufficient to meet the needs of an individual who enrolled in residential support services after January 1, 2014, then individual staffing hours shall be used.

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

Sec. 33. Minnesota Statutes 2022, section 256B.4914, subdivision 6a, is amended to read:

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

- (1) competitive workforce factor: ~~4.7~~ 6.7 percent;
- (2) supervisory span of control ratio: 11 percent;
- (3) employee vacation, sick, and training allowance ratio: 8.71 percent;
- (4) employee-related cost ratio: 23.6 percent;
- (5) general administrative support ratio: 13.25 percent;
- (6) program-related expense ratio: 1.3 percent; and
- (7) absence and utilization factor ratio: 3.9 percent.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 34. Minnesota Statutes 2022, section 256B.4914, subdivision 6b, is amended to read:

Subd. 6b. **Family residential services; component values and calculation of payment rates.**

(a) Component values for family residential services are:

(1) competitive workforce factor: ~~4.7~~ 6.7 percent;

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

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

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

(5) general administrative support ratio: 3.3 percent;

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

(7) absence factor: 1.7 percent.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 35. Minnesota Statutes 2022, section 256B.4914, subdivision 6c, is amended to read:

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

(1) competitive workforce factor: ~~4.7~~ 6.7 percent;

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

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

- (4) employee-related cost ratio: 23.6 percent;
- (5) general administrative support ratio: 13.25 percent;
- (6) program-related expense ratio: 1.3 percent; and
- (7) absence and utilization factor ratio: 3.9 percent.

(b) Payments for integrated community supports must be calculated as follows:

(1) determine the number of shared direct staffing and individual direct staffing hours to meet a recipient's needs. The base shared direct staffing hours must be eight hours divided by the number of people receiving support in the integrated community support setting, and the individual direct staffing hours must be the average number of direct support hours provided directly to the service recipient;

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

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

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

(5) multiply the number of shared direct staffing and individual direct staffing hours in clause (1) by the appropriate staff wages;

(6) multiply the number of shared direct staffing and individual direct staffing hours in clause (1) by the product of the supervisory span of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);

(7) combine the results of clauses (5) and (6) and multiply the result by one plus the employee vacation, sick, and training allowance ratio. This is defined as the direct staffing cost;

(8) for employee-related expenses, multiply the direct staffing cost by one plus the employee-related cost ratio;

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

(10) add the results of clauses (8) and (9);

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

(12) divide the result of clause (10) by one minus the result of clause (11). This is the total payment amount; and

(13) adjust the result of clause (12) by a factor to be determined by the commissioner to adjust for regional differences in the cost of providing services.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 36. Minnesota Statutes 2022, section 256B.4914, subdivision 7a, is amended to read:

Subd. 7a. **Adult day services; component values and calculation of payment rates.** (a) Component values for adult day services are:

- (1) competitive workforce factor: ~~4.7~~ 6.7 percent;
- (2) supervisory span of control ratio: 11 percent;
- (3) employee vacation, sick, and training allowance ratio: 8.71 percent;
- (4) employee-related cost ratio: 23.6 percent;
- (5) program plan support ratio: 5.6 percent;
- (6) client programming and support ratio: 7.4 percent, updated as specified in subdivision 5b;
- (7) general administrative support ratio: 13.25 percent;
- (8) program-related expense ratio: 1.8 percent; and
- (9) absence and utilization factor ratio: 9.4 percent.

(b) A unit of service for adult day services is either a day or 15 minutes. A day unit of service is six or more hours of time spent providing direct service.

(c) Payments for adult day services must be calculated as follows:

- (1) determine the number of units of service and the staffing ratio to meet a recipient's needs;
- (2) determine the appropriate hourly staff wage rates derived by the commissioner as provided in subdivisions 5 and 5a;
- (3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the product of one plus the competitive workforce factor;
- (4) for a recipient requiring customization for deaf and hard-of-hearing language accessibility under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (3);
- (5) multiply the number of day program direct staffing hours and nursing hours by the appropriate staff wage;

(6) multiply the number of day program direct staffing hours by the product of the supervisory span of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);

(7) combine the results of clauses (5) and (6), and multiply the result by one plus the employee vacation, sick, and training allowance ratio. This is defined as the direct staffing rate;

(8) for program plan support, multiply the result of clause (7) by one plus the program plan support ratio;

(9) for employee-related expenses, multiply the result of clause (8) by one plus the employee-related cost ratio;

(10) for client programming and supports, multiply the result of clause (9) by one plus the client programming and support ratio;

(11) for program facility costs, add \$19.30 per week with consideration of staffing ratios to meet individual needs, updated as specified in subdivision 5b;

(12) for adult day bath services, add \$7.01 per 15 minute unit;

(13) this is the subtotal rate;

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

(15) divide the result of clause (13) by one minus the result of clause (14). This is the total payment amount; and

(16) adjust the result of clause (15) by a factor to be determined by the commissioner to adjust for regional differences in the cost of providing services.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 37. Minnesota Statutes 2022, section 256B.4914, subdivision 7b, is amended to read:

Subd. 7b. **Day support services; component values and calculation of payment rates.** (a) Component values for day support services are:

(1) competitive workforce factor: ~~4.7~~ 6.7 percent;

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

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

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

(5) program plan support ratio: 5.6 percent;

(6) client programming and support ratio: 10.37 percent, updated as specified in subdivision 5b;

(7) general administrative support ratio: 13.25 percent;

(8) program-related expense ratio: 1.8 percent; and

(9) absence and utilization factor ratio: 9.4 percent.

(b) A unit of service for day support services is 15 minutes.

(c) Payments for day support services must be calculated as follows:

(1) determine the number of units of service and the staffing ratio to meet a recipient's needs;

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

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

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

(5) multiply the number of day program direct staffing hours and nursing hours by the appropriate staff wage;

(6) multiply the number of day program direct staffing hours by the product of the supervisory span of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);

(7) combine the results of clauses (5) and (6), and multiply the result by one plus the employee vacation, sick, and training allowance ratio. This is defined as the direct staffing rate;

(8) for program plan support, multiply the result of clause (7) by one plus the program plan support ratio;

(9) for employee-related expenses, multiply the result of clause (8) by one plus the employee-related cost ratio;

(10) for client programming and supports, multiply the result of clause (9) by one plus the client programming and support ratio;

(11) for program facility costs, add \$19.30 per week with consideration of staffing ratios to meet individual needs, updated as specified in subdivision 5b;

(12) this is the subtotal rate;

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

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

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

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 38. Minnesota Statutes 2022, section 256B.4914, subdivision 7c, is amended to read:

Subd. 7c. **Prevocational services; component values and calculation of payment rates.** (a) Component values for prevocational services are:

- (1) competitive workforce factor: ~~4.7~~ 6.7 percent;
 - (2) supervisory span of control ratio: 11 percent;
 - (3) employee vacation, sick, and training allowance ratio: 8.71 percent;
 - (4) employee-related cost ratio: 23.6 percent;
 - (5) program plan support ratio: 5.6 percent;
 - (6) client programming and support ratio: 10.37 percent, updated as specified in subdivision 5b;
 - (7) general administrative support ratio: 13.25 percent;
 - (8) program-related expense ratio: 1.8 percent; and
 - (9) absence and utilization factor ratio: 9.4 percent.
- (b) A unit of service for prevocational services is either a day or 15 minutes. A day unit of service is six or more hours of time spent providing direct service.

(c) Payments for prevocational services must be calculated as follows:

- (1) determine the number of units of service and the staffing ratio to meet a recipient's needs;
- (2) determine the appropriate hourly staff wage rates derived by the commissioner as provided in subdivisions 5 and 5a;
- (3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the product of one plus the competitive workforce factor;
- (4) for a recipient requiring customization for deaf and hard-of-hearing language accessibility under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (3);

(5) multiply the number of day program direct staffing hours and nursing hours by the appropriate staff wage;

(6) multiply the number of day program direct staffing hours by the product of the supervisory span of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);

(7) combine the results of clauses (5) and (6), and multiply the result by one plus the employee vacation, sick, and training allowance ratio. This is defined as the direct staffing rate;

(8) for program plan support, multiply the result of clause (7) by one plus the program plan support ratio;

(9) for employee-related expenses, multiply the result of clause (8) by one plus the employee-related cost ratio;

(10) for client programming and supports, multiply the result of clause (9) by one plus the client programming and support ratio;

(11) for program facility costs, add \$19.30 per week with consideration of staffing ratios to meet individual needs, updated as specified in subdivision 5b;

(12) this is the subtotal rate;

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

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

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

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 39. Minnesota Statutes 2022, section 256B.4914, subdivision 8, is amended to read:

Subd. 8. **Unit-based services with programming; component values and calculation of payment rates.** (a) For the purpose of this section, unit-based services with programming include employment exploration services, employment development services, employment support services, individualized home supports with family training, individualized home supports with training, and positive support services provided to an individual outside of any service plan for a day program or residential support service.

(b) Component values for unit-based services with programming are:

(1) competitive workforce factor: ~~4.7~~ 6.7 percent;

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

- (3) employee vacation, sick, and training allowance ratio: 8.71 percent;
- (4) employee-related cost ratio: 23.6 percent;
- (5) program plan support ratio: 15.5 percent;
- (6) client programming and support ratio: 4.7 percent, updated as specified in subdivision 5b;
- (7) general administrative support ratio: 13.25 percent;
- (8) program-related expense ratio: 6.1 percent; and
- (9) absence and utilization factor ratio: 3.9 percent.

(c) A unit of service for unit-based services with programming is 15 minutes.

(d) Payments for unit-based services with programming must be calculated as follows, unless the services are reimbursed separately as part of a residential support services or day program payment rate:

- (1) determine the number of units of service to meet a recipient's needs;
- (2) determine the appropriate hourly staff wage rates derived by the commissioner as provided in subdivisions 5 and 5a;
- (3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the product of one plus the competitive workforce factor;
- (4) for a recipient requiring customization for deaf and hard-of-hearing language accessibility under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (3);
- (5) multiply the number of direct staffing hours by the appropriate staff wage;
- (6) multiply the number of direct staffing hours by the product of the supervisory span of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);
- (7) combine the results of clauses (5) and (6), and multiply the result by one plus the employee vacation, sick, and training allowance ratio. This is defined as the direct staffing rate;
- (8) for program plan support, multiply the result of clause (7) by one plus the program plan support ratio;
- (9) for employee-related expenses, multiply the result of clause (8) by one plus the employee-related cost ratio;
- (10) for client programming and supports, multiply the result of clause (9) by one plus the client programming and support ratio;
- (11) this is the subtotal rate;

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

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

(14) for services provided in a shared manner, divide the total payment in clause (13) as follows:

(i) for employment exploration services, divide by the number of service recipients, not to exceed five;

(ii) for employment support services, divide by the number of service recipients, not to exceed six; ~~and~~

(iii) for individualized home supports with training and individualized home supports with family training, divide by the number of service recipients, not to exceed ~~two~~ three; and

(iv) for night supervision, divide by the number of service recipients, not to exceed two; and

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

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 40. Minnesota Statutes 2022, section 256B.4914, subdivision 9, is amended to read:

Subd. 9. **Unit-based services without programming; component values and calculation of payment rates.** (a) For the purposes of this section, unit-based services without programming include individualized home supports without training and night supervision provided to an individual outside of any service plan for a day program or residential support service. Unit-based services without programming do not include respite.

(b) Component values for unit-based services without programming are:

(1) competitive workforce factor: ~~4.7~~ 6.7 percent;

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

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

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

(5) program plan support ratio: 7.0 percent;

(6) client programming and support ratio: 2.3 percent, updated as specified in subdivision 5b;

(7) general administrative support ratio: 13.25 percent;

(8) program-related expense ratio: 2.9 percent; and

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

(c) A unit of service for unit-based services without programming is 15 minutes.

(d) Payments for unit-based services without programming must be calculated as follows unless the services are reimbursed separately as part of a residential support services or day program payment rate:

(1) determine the number of units of service to meet a recipient's needs;

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

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

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

(5) multiply the number of direct staffing hours by the appropriate staff wage;

(6) multiply the number of direct staffing hours by the product of the supervisory span of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);

(7) combine the results of clauses (5) and (6), and multiply the result by one plus the employee vacation, sick, and training allowance ratio. This is defined as the direct staffing rate;

(8) for program plan support, multiply the result of clause (7) by one plus the program plan support ratio;

(9) for employee-related expenses, multiply the result of clause (8) by one plus the employee-related cost ratio;

(10) for client programming and supports, multiply the result of clause (9) by one plus the client programming and support ratio;

(11) this is the subtotal rate;

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

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

(14) for individualized home supports without training provided in a shared manner, divide the total payment amount in clause (13) by the number of service recipients, not to exceed ~~two~~ three; and

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

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 41. Minnesota Statutes 2022, section 256B.4914, subdivision 10, is amended to read:

Subd. 10. **Evaluation of information and data.** (a) The commissioner shall, within available resources, conduct research and gather data and information from existing state systems or other outside sources on the following items:

(1) differences in the underlying cost to provide services and care across the state;

(2) mileage, vehicle type, lift requirements, incidents of individual and shared rides, and units of transportation for all day services, which must be collected from providers using the rate management worksheet and entered into the rates management system; and

(3) the distinct underlying costs for services provided by a license holder under sections 245D.05, 245D.06, 245D.07, 245D.071, 245D.081, and 245D.09, and for services provided by a license holder certified under section 245D.33.

(b) The commissioner, in consultation with stakeholders, shall review and evaluate the following values already in subdivisions 6 to ~~9a~~ 9, or issues that impact all services, including, but not limited to:

(1) values for transportation rates;

(2) values for services where monitoring technology replaces staff time;

(3) values for indirect services;

(4) values for nursing;

(5) values for the facility use rate in day services, and the weightings used in the day service ratios and adjustments to those weightings;

(6) values for workers' compensation as part of employee-related expenses;

(7) values for unemployment insurance as part of employee-related expenses;

(8) direct care workforce labor market measures;

(9) any changes in state or federal law with a direct impact on the underlying cost of providing home and community-based services;

(10) outcome measures, determined by the commissioner, for home and community-based services rates determined under this section; and

(11) different competitive workforce factors by service, as determined under subdivision 10b.

(c) The commissioner shall report to the chairs and the ranking minority members of the legislative committees and divisions with jurisdiction over health and human services policy and finance with the information and data gathered under paragraphs (a) and (b) on January 15, 2021, with a full report, and a full report once every four years thereafter.

(d) Beginning July 1, 2022, the commissioner shall renew analysis and implement changes to the regional adjustment factors once every six years. Prior to implementation, the commissioner shall consult with stakeholders on the methodology to calculate the adjustment.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 42. Minnesota Statutes 2022, section 256B.4914, subdivision 10a, is amended to read:

Subd. 10a. **Reporting and analysis of cost data.** (a) The commissioner must ensure that wage values and component values in subdivisions 5 to ~~9a~~ 9 reflect the cost to provide the service. As determined by the commissioner, in consultation with stakeholders identified in subdivision 17, a provider enrolled to provide services with rates determined under this section must submit requested cost data to the commissioner to support research on the cost of providing services that have rates determined by the disability waiver rates system. Requested cost data may include, but is not limited to:

- (1) worker wage costs;
- (2) benefits paid;
- (3) supervisor wage costs;
- (4) executive wage costs;
- (5) vacation, sick, and training time paid;
- (6) taxes, workers' compensation, and unemployment insurance costs paid;
- (7) administrative costs paid;
- (8) program costs paid;
- (9) transportation costs paid;
- (10) vacancy rates; and
- (11) other data relating to costs required to provide services requested by the commissioner.

(b) At least once in any five-year period, a provider must submit cost data for a fiscal year that ended not more than 18 months prior to the submission date. The commissioner shall provide each provider a 90-day notice prior to its submission due date. If a provider fails to submit required reporting data, the commissioner shall provide notice to providers that have not provided required data 30 days after the required submission date, and a second notice for providers who have not

provided required data 60 days after the required submission date. The commissioner shall temporarily suspend payments to the provider if cost data is not received 90 days after the required submission date. Withheld payments shall be made once data is received by the commissioner.

(c) The commissioner shall conduct a random validation of data submitted under paragraph (a) to ensure data accuracy. The commissioner shall analyze cost documentation in paragraph (a) and provide recommendations for adjustments to cost components.

(d) The commissioner shall analyze cost data submitted under paragraph (a) and, in consultation with stakeholders identified in subdivision 17, may submit recommendations on component values and inflationary factor adjustments to the chairs and ranking minority members of the legislative committees with jurisdiction over human services once every four years beginning January 1, 2021. The commissioner shall make recommendations in conjunction with reports submitted to the legislature according to subdivision 10, paragraph (c). The commissioner shall release cost data in an aggregate form. Cost data from individual providers must not be released except as provided for in current law.

~~(e) The commissioner shall release cost data in an aggregate form, and cost data from individual providers shall not be released except as provided for in current law. The commissioner shall use data collected in paragraph (a) to determine the compliance with requirements identified under subdivision 10d. The commissioner shall identify providers who have not met the thresholds identified under subdivision 10d on the Department of Human Services website for the year for which the providers reported their costs.~~

~~(f) The commissioner, in consultation with stakeholders identified in subdivision 17, shall develop and implement a process for providing training and technical assistance necessary to support provider submission of cost documentation required under paragraph (a).~~

EFFECTIVE DATE. This section is effective January 1, 2025, except that the amendment striking the cross-reference to subdivision 9a is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 43. Minnesota Statutes 2022, section 256B.4914, subdivision 10c, is amended to read:

Subd. 10c. **Reporting and analysis of competitive workforce factor.** (a) Beginning February 1, ~~2021~~ 2025, and every two years thereafter, the commissioner shall report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health and human services policy and finance an analysis of the competitive workforce factor.

(b) The report must include ~~recommendations to update the competitive workforce factor using:~~

(1) the most recently available wage data by SOC code for the weighted average wage for direct care staff for residential services and direct care staff for day services;

(2) the most recently available wage data by SOC code of the weighted average wage of comparable occupations; and

(3) workforce data as required under subdivision 10b.

~~(c) The commissioner shall not recommend an increase or decrease of the competitive workforce factor from the current value by more than two percentage points. If, after a biennial analysis for the next report, the competitive workforce factor is less than or equal to zero, the commissioner shall recommend a competitive workforce factor of zero. This subdivision expires June 30, 2031.~~

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

Sec. 44. Minnesota Statutes 2022, section 256B.4914, is amended by adding a subdivision to read:

Subd. 10d. **Direct care staff; compensation.** (a) A provider paid with rates determined under subdivision 6 must use a minimum of 66 percent of the revenue generated by rates determined under that subdivision for direct care staff compensation.

(b) A provider paid with rates determined under subdivision 7 must use a minimum of 45 percent of the revenue generated by rates determined under that subdivision for direct care compensation.

(c) A provider paid with rates determined under subdivision 8 or 9 must use a minimum of 60 percent of the revenue generated by rates determined under those subdivisions for direct care compensation.

(d) Compensation under this subdivision includes:

(1) wages;

(2) taxes and workers' compensation;

(3) health insurance;

(4) dental insurance;

(5) vision insurance;

(6) life insurance;

(7) short-term disability insurance;

(8) long-term disability insurance;

(9) retirement spending;

(10) tuition reimbursement;

(11) wellness programs;

(12) paid vacation time;

(13) paid sick time; or

(14) other items of monetary value provided to direct care staff.

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

Sec. 45. Minnesota Statutes 2022, section 256B.4914, subdivision 12, is amended to read:

Subd. 12. **Customization of rates for individuals.** (a) For persons determined to have higher needs based on being deaf or hard-of-hearing, the direct-care costs must be increased by an adjustment factor prior to calculating the rate under subdivisions 6 to ~~9a~~ 9. The customization rate with respect to deaf or hard-of-hearing persons shall be \$2.50 per hour for waiver recipients who meet the respective criteria as determined by the commissioner.

(b) For the purposes of this section, "deaf and hard-of-hearing" means:

(1) the person has a developmental disability and:

(i) an assessment score which indicates a hearing impairment that is severe or that the person has no useful hearing;

(ii) an expressive communications score that indicates the person uses single signs or gestures, uses an augmentative communication aid, or does not have functional communication, or the person's expressive communications is unknown; and

(iii) a communication score which indicates the person comprehends signs, gestures, and modeling prompts or does not comprehend verbal, visual, or gestural communication, or that the person's receptive communication score is unknown; or

(2) the person receives long-term care services and has an assessment score that indicates the person hears only very loud sounds, the person has no useful hearing, or a determination cannot be made; and the person receives long-term care services and has an assessment that indicates the person communicates needs with sign language, symbol board, written messages, gestures, or an interpreter; communicates with inappropriate content, makes garbled sounds or displays echolalia, or does not communicate needs.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 46. Minnesota Statutes 2022, section 256B.4914, subdivision 14, is amended to read:

Subd. 14. **Exceptions.** (a) In a format prescribed by the commissioner, lead agencies must identify individuals with exceptional needs that cannot be met under the disability waiver rate system. The commissioner shall use that information to evaluate and, if necessary, approve an alternative payment rate for those individuals. Whether granted, denied, or modified, the commissioner shall respond to all exception requests in writing. The commissioner shall include in the written response the basis for the action and provide notification of the right to appeal under paragraph (h).

(b) Lead agencies must act on an exception request within 30 days and notify the initiator of the request of their recommendation in writing. A lead agency shall submit all exception requests along with its recommendation to the commissioner.

(c) An application for a rate exception may be submitted for the following criteria:

- (1) an individual has service needs that cannot be met through additional units of service;
 - (2) an individual's rate determined under subdivisions 6 to ~~9a~~ 9 is so insufficient that it has resulted in an individual receiving a notice of discharge from the individual's provider; or
 - (3) an individual's service needs, including behavioral changes, require a level of service which necessitates a change in provider or which requires the current provider to propose service changes beyond those currently authorized.
- (d) Exception requests must include the following information:
- (1) the service needs required by each individual that are not accounted for in subdivisions 6 to ~~9a~~ 9;
 - (2) the service rate requested and the difference from the rate determined in subdivisions 6 to ~~9a~~ 9;
 - (3) a basis for the underlying costs used for the rate exception and any accompanying documentation; and
 - (4) any contingencies for approval.
- (e) Approved rate exceptions shall be managed within lead agency allocations under sections 256B.092 and 256B.49.
- (f) Individual disability waiver recipients, an interested party, or the license holder that would receive the rate exception increase may request that a lead agency submit an exception request. A lead agency that denies such a request shall notify the individual waiver recipient, interested party, or license holder of its decision and the reasons for denying the request in writing no later than 30 days after the request has been made and shall submit its denial to the commissioner in accordance with paragraph (b). The reasons for the denial must be based on the failure to meet the criteria in paragraph (c).
- (g) The commissioner shall determine whether to approve or deny an exception request no more than 30 days after receiving the request. If the commissioner denies the request, the commissioner shall notify the lead agency and the individual disability waiver recipient, the interested party, and the license holder in writing of the reasons for the denial.
- (h) The individual disability waiver recipient may appeal any denial of an exception request by either the lead agency or the commissioner, pursuant to sections 256.045 and 256.0451. When the denial of an exception request results in the proposed demission of a waiver recipient from a residential or day habilitation program, the commissioner shall issue a temporary stay of demission, when requested by the disability waiver recipient, consistent with the provisions of section 256.045, subdivisions 4a and 6, paragraph (c). The temporary stay shall remain in effect until the lead agency can provide an informed choice of appropriate, alternative services to the disability waiver.
- (i) Providers may petition lead agencies to update values that were entered incorrectly or erroneously into the rate management system, based on past service level discussions and determination in subdivision 4, without applying for a rate exception.

(j) The starting date for the rate exception will be the later of the date of the recipient's change in support or the date of the request to the lead agency for an exception.

(k) The commissioner shall track all exception requests received and their dispositions. The commissioner shall issue quarterly public exceptions statistical reports, including the number of exception requests received and the numbers granted, denied, withdrawn, and pending. The report shall include the average amount of time required to process exceptions.

(l) Approved rate exceptions remain in effect in all cases until an individual's needs change as defined in paragraph (c).

(m) Rates determined under subdivision 19 are ineligible for rate exceptions.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later, except that paragraph (m) is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 47. Minnesota Statutes 2022, section 256B.4914, is amended by adding a subdivision to read:

Subd. 19. **Payments for family residential and life sharing services.** The commissioner shall establish rates for family residential services and life sharing services based on a person's assessed need, as described in the federally-approved waiver plans. Rates for life sharing services must be ten percent higher than the corresponding family residential services rate.

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

Sec. 48. Minnesota Statutes 2022, section 256B.5012, is amended by adding a subdivision to read:

Subd. 19. **ICF/DD rate increase effective January 1, 2024.** (a) Effective January 1, 2024, the daily operating payment rate for a class A intermediate care facility for persons with developmental disabilities is increased by \$40.

(b) Effective January 1, 2024, the daily operating payment rate for a class B intermediate care facility for persons with developmental disabilities is increased by \$40.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 49. Minnesota Statutes 2022, section 256B.5012, is amended by adding a subdivision to read:

Subd. 20. **ICF/DD minimum daily operating payment rates.** (a) The minimum daily operating payment rate for a class A intermediate care facility for persons with developmental disabilities is \$275.

(b) The minimum daily operating payment rate for a class B intermediate care facility for persons with developmental disabilities is \$316.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 50. Minnesota Statutes 2022, section 256B.5012, is amended by adding a subdivision to read:

Subd. 21. **ICF/DD rate increases after January 1, 2025.** Beginning January 1, 2025, and every year thereafter, the rates under this section must be updated for the percentage change in the Consumer Price Index (CPI-U) from the previous July 1 to the data available 12 months and one day prior.

EFFECTIVE DATE. This section is effective January 1, 2025, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 51. Minnesota Statutes 2022, section 256B.85, subdivision 7, is amended to read:

Subd. 7. **Community first services and supports; covered services.** Services and supports covered under CFSS include:

(1) assistance to accomplish activities of daily living (ADLs), instrumental activities of daily living (IADLs), and health-related procedures and tasks through hands-on assistance to accomplish the task or constant supervision and cueing to accomplish the task;

(2) assistance to acquire, maintain, or enhance the skills necessary for the participant to accomplish activities of daily living, instrumental activities of daily living, or health-related tasks;

(3) expenditures for items, services, supports, environmental modifications, or goods, including assistive technology. These expenditures must:

(i) relate to a need identified in a participant's CFSS service delivery plan; and

(ii) increase independence or substitute for human assistance, to the extent that expenditures would otherwise be made for human assistance for the participant's assessed needs;

(4) observation and redirection for behavior or symptoms where there is a need for assistance;

(5) back-up systems or mechanisms, such as the use of pagers or other electronic devices, to ensure continuity of the participant's services and supports;

(6) services provided by a consultation services provider as defined under subdivision 17, that is under contract with the department and enrolled as a Minnesota health care program provider;

(7) services provided by an FMS provider as defined under subdivision 13a, that is an enrolled provider with the department;

(8) CFSS services provided by a support worker who is a parent, stepparent, or legal guardian of a participant under age 18, or who is the participant's spouse. ~~These support workers shall not:~~ Covered services under this clause are subject to the limitations described in subdivision 7b; and

~~(i) provide any medical assistance home and community-based services in excess of 40 hours per seven-day period regardless of the number of parents providing services, combination of parents and spouses providing services, or number of children who receive medical assistance services; and~~

~~(ii) have a wage that exceeds the current rate for a CFSS support worker including the wage, benefits, and payroll taxes; and~~

(9) worker training and development services as described in subdivision 18a.

EFFECTIVE DATE. This section is effective July 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 52. Minnesota Statutes 2022, section 256B.85, is amended by adding a subdivision to read:

Subd. 7b. **Services provided by parents and spouses.** (a) This subdivision applies to services and supports described in subdivision 7, clause (8).

(b) If multiple parents are support workers providing CFSS services to their minor child or children, each parent may provide up to 40 hours of medical assistance home and community-based services in any seven-day period regardless of the number of children served. The total number of hours of medical assistance home and community-based services provided by all of the parents must not exceed 80 hours in a seven-day period regardless of the number of children served.

(c) If only one parent is a support worker providing CFSS services to the parent's minor child or children, the parent may provide up to 60 hours of medical assistance home and community-based services in a seven-day period regardless of the number of children served.

(d) If a participant's spouse is a support worker providing CFSS services, the spouse may provide up to 60 hours of medical assistance home and community-based services in a seven-day period.

(e) Paragraphs (b) to (d) must not be construed to permit an increase in either the total authorized service budget for an individual or the total number of authorized service units.

(f) A parent or participant's spouse must not receive a wage that exceeds the current rate for a CFSS support worker, including wages, benefits, and payroll taxes.

EFFECTIVE DATE. This section is effective July 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 53. Minnesota Statutes 2022, section 256B.851, subdivision 3, is amended to read:

Subd. 3. **Payment rates; base wage index.** When initially establishing the base wage component values, the commissioner must use the Minnesota-specific median wage for the standard occupational classification (SOC) codes published by the Bureau of Labor Statistics in the edition of the

Occupational Handbook ~~available January 1, published in March~~ 2021. The commissioner must calculate the base wage component values as follows for:

(1) personal care assistance services, CFSS, extended personal care assistance services, and extended CFSS. The base wage component value equals the median wage for personal care aide (SOC code 31-1120);

(2) enhanced rate personal care assistance services and enhanced rate CFSS. The base wage component value equals the product of median wage for personal care aide (SOC code 31-1120) and the value of the enhanced rate under section 256B.0659, subdivision 17a; and

(3) qualified professional services and CFSS worker training and development. The base wage component value equals the sum of 70 percent of the median wage for registered nurse (SOC code 29-1141), 15 percent of the median wage for health care social worker (SOC code 21-1099), and 15 percent of the median wage for social and human service assistant (SOC code 21-1093).

EFFECTIVE DATE. This section is effective January 1, 2024, or 90 days after federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 54. Minnesota Statutes 2022, section 256B.851, subdivision 5, is amended to read:

Subd. 5. **Payment rates; component values.** (a) The commissioner must use the following component values:

- (1) employee vacation, sick, and training factor, 8.71 percent;
- (2) employer taxes and workers' compensation factor, 11.56 percent;
- (3) employee benefits factor, 12.04 percent;
- (4) client programming and supports factor, 2.30 percent;
- (5) program plan support factor, 7.00 percent;
- (6) general business and administrative expenses factor, 13.25 percent;
- (7) program administration expenses factor, 2.90 percent; and
- (8) absence and utilization factor, 3.90 percent.

(b) For purposes of implementation, the commissioner shall use the following implementation components:

- (1) personal care assistance services and CFSS: ~~75.45~~ 88.19 percent;
- (2) enhanced rate personal care assistance services and enhanced rate CFSS: ~~75.45~~ 88.19 percent; and
- (3) qualified professional services and CFSS worker training and development: ~~75.45~~ 88.19 percent.

(c) Effective January 1, 2025, for purposes of implementation, the commissioner shall use the following implementation components:

(1) personal care assistance services and CFSS: 92.08 percent;

(2) enhanced rate personal care assistance services and enhanced rate CFSS: 92.08 percent; and

(3) qualified professional services and CFSS worker training and development: 92.08 percent.

(d) The commissioner shall use the following worker retention components:

(1) for workers who have provided fewer than 1,001 cumulative hours in personal care assistance services or CFSS, the worker retention component is zero percent;

(2) for workers who have provided between 1,001 and 2,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 2.17 percent;

(3) for workers who have provided between 2,001 and 6,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 4.36 percent;

(4) for workers who have provided between 6,001 and 10,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 7.35 percent; and

(5) for workers who have provided more than 10,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 10.81 percent.

(e) The commissioner shall define the appropriate worker retention component based on the total number of units billed for services rendered by the individual provider since July 1, 2017. The worker retention component must be determined by the commissioner for each individual provider and is not subject to appeal.

EFFECTIVE DATE. The amendments to paragraph (b) are effective January 1, 2024, or 90 days after federal approval, whichever is later. Paragraph (b) expires January 1, 2025, or 90 days after federal approval of paragraph (c), whichever is later. Paragraphs (c) to (e) are effective January 1, 2025, or 90 days after federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 55. Minnesota Statutes 2022, section 256B.851, subdivision 6, is amended to read:

Subd. 6. **Payment rates; rate determination.** (a) The commissioner must determine the rate for personal care assistance services, CFSS, extended personal care assistance services, extended CFSS, enhanced rate personal care assistance services, enhanced rate CFSS, qualified professional services, and CFSS worker training and development as follows:

(1) multiply the appropriate total wage component value calculated in subdivision 4 by one plus the employee vacation, sick, and training factor in subdivision 5;

(2) for program plan support, multiply the result of clause (1) by one plus the program plan support factor in subdivision 5;

(3) for employee-related expenses, add the employer taxes and workers' compensation factor in subdivision 5 and the employee benefits factor in subdivision 5. The sum is employee-related expenses. Multiply the product of clause (2) by one plus the value for employee-related expenses;

(4) for client programming and supports, multiply the product of clause (3) by one plus the client programming and supports factor in subdivision 5;

(5) for administrative expenses, add the general business and administrative expenses factor in subdivision 5, the program administration expenses factor in subdivision 5, and the absence and utilization factor in subdivision 5;

(6) divide the result of clause (4) by one minus the result of clause (5). The quotient is the hourly rate;

(7) multiply the hourly rate by the appropriate implementation component under subdivision 5. This is the adjusted hourly rate; and

(8) divide the adjusted hourly rate by four. The quotient is the total adjusted payment rate.

(b) In processing claims, the commissioner shall incorporate the worker retention component specified in subdivision 5, by multiplying one plus the total adjusted payment rate by the appropriate worker retention component under subdivision 5, paragraph (d).

~~(b)~~ (c) The commissioner must publish the total ~~adjusted~~ final payment rates.

EFFECTIVE DATE. This section is effective January 1, 2025, or 90 days after federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 56. Minnesota Statutes 2022, section 256D.425, subdivision 1, is amended to read:

Subdivision 1. **Persons entitled to receive aid.** A person who is aged, blind, or 18 years of age or older and disabled and who is receiving supplemental security benefits under Title XVI on the basis of age, blindness, or disability (or would be eligible for such benefits except for excess income) is eligible for a payment under the Minnesota supplemental aid program, if the person's net income is less than the standards in section 256D.44. A person who is receiving benefits under the Minnesota supplemental aid program in the month prior to becoming eligible under section 1619(b) of the Social Security Act is eligible for a payment under the Minnesota supplemental aid program while they remain in section 1619(b) status. Persons who are not receiving Supplemental Security Income benefits under Title XVI of the Social Security Act or disability insurance benefits under Title II of the Social Security Act due to exhausting time limited benefits are not eligible to receive benefits under the MSA program. Persons who are not receiving Social Security or other maintenance benefits for failure to meet or comply with the Social Security or other maintenance program requirements are not eligible to receive benefits under the MSA program. Persons who are found ineligible for Supplemental Security Income because of excess income, but whose income is within the limits of the Minnesota supplemental aid program, must have blindness or disability determined by the state medical review team.

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

Sec. 57. Minnesota Statutes 2022, section 256S.2101, subdivision 1, is amended to read:

Subdivision 1. **Phase-in for disability waiver customized living rates.** All rates and rate components for community access for disability inclusion customized living and brain injury customized living under section 256B.4914 ~~shall~~ must be the sum of ~~ten~~ 29.6 percent of the rates calculated under sections 256S.211 to 256S.215 and ~~90~~ 70.4 percent of the rates calculated using the rate methodology in effect as of June 30, 2017.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 58. 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) the Department of Human Services for the purpose of evaluating medical assistance services and supporting program improvement;

~~(10)~~ (11) local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, or for any employment or training program administered by those agencies, whether alone, in combination with another welfare agency, or in conjunction with the department or to monitor and evaluate the statewide Minnesota family investment program and other cash assistance programs, the Supplemental Nutrition Assistance Program, and the Supplemental Nutrition Assistance Program Employment and Training program by providing data on recipients and former recipients of Supplemental Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B or 256L or formerly codified under chapter 256D;

~~(11)~~ (12) local and state welfare agencies for the purpose of identifying employment, wages, and other information to assist in the collection of an overpayment debt in an assistance program;

~~(12)~~ (13) local, state, and federal law enforcement agencies for the purpose of ascertaining the last known address and employment location of an individual who is the subject of a criminal investigation;

~~(13)~~ (14) the United States Immigration and Customs Enforcement has access to data on specific individuals and specific employers provided the specific individual or specific employer is the subject of an investigation by that agency;

~~(14)~~ (15) the Department of Health for the purposes of epidemiologic investigations;

~~(15)~~ (16) the Department of Corrections for the purposes of case planning and internal research for preprobation, probation, and postprobation employment tracking of offenders sentenced to probation and preincarceration and postincarceration employment tracking of committed offenders;

~~(16)~~ (17) the state auditor to the extent necessary to conduct audits of job opportunity building zones as required under section 469.3201; and

~~(17)~~ (18) the Office of Higher Education for purposes of supporting program improvement, system evaluation, and research initiatives including the Statewide Longitudinal Education Data System.

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

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

Sec. 59. PROVIDER CAPACITY GRANTS FOR RURAL AND UNDERSERVED COMMUNITIES.

Subdivision 1. Establishment and authority. (a) The commissioner of human services shall award grants to organizations that provide community-based services to rural or underserved

communities. The grants must be used to build organizational capacity to provide home and community-based services in the state and to build new or expanded infrastructure to access medical assistance reimbursement.

(b) The commissioner shall conduct community engagement, provide technical assistance, and establish a collaborative learning community related to the grants available under this section and shall work with the commissioners of management and budget and administration to mitigate barriers in accessing grant money.

(c) The commissioner shall limit expenditures under this subdivision to the amount appropriated for this purpose.

(d) The commissioner shall give priority to organizations that provide culturally specific and culturally responsive services or that serve historically underserved communities throughout the state.

Subd. 2. **Eligibility.** An eligible applicant for the capacity grants under subdivision 1 is an organization or provider that serves, or will serve, rural or underserved communities and:

(1) provides, or will provide, home and community-based services in the state; or

(2) serves, or will serve, as a connector for communities to available home and community-based services.

Subd. 3. **Allowable grant activities.** Grants under this section must be used by recipients for the following activities:

(1) expanding existing services;

(2) increasing access in rural or underserved areas;

(3) creating new home and community-based organizations;

(4) connecting underserved communities to benefits and available services; or

(5) building new or expanded infrastructure to access medical assistance reimbursement.

Sec. 60. NEW AMERICAN LEGAL, SOCIAL SERVICES, AND LONG-TERM CARE WORKFORCE GRANT PROGRAM.

Subdivision 1. **Definition.** "New American" means an individual born abroad and the individual's children, irrespective of immigration status.

Subd. 2. **Grant program established.** The commissioner of human services shall establish a new American legal, social services, and long-term care workforce grant program for organizations that serve and support new Americans:

(1) in seeking or maintaining legal or citizenship status to legally obtain or retain employment in any field or industry; or

(2) to provide specialized services and supports to new Americans to enter the long-term care workforce.

Subd. 3. **Eligible grantees.** (a) The commissioner shall select grantees as provided in this subdivision.

(b) Eligible applicants for a grant under this section must demonstrate the qualifications, legal or other expertise, cultural competency, and experience in working with new Americans necessary to perform the activities required under subdivision 4 statewide or in discreet portions of the state.

(c) Eligible applicants seeking to provide services include governmental units, federally recognized Tribal Nations, nonprofit organizations as defined under section 501(c)(3) of the Internal Revenue Code, for-profit organizations, and legal services organizations specializing in obtaining visas for health care workers.

(d) Eligible applicants seeking to provide supports for new Americans to obtain or maintain employment must demonstrate expertise and capacity to provide training, peer mentoring, supportive services, workforce development, and other services to develop and implement strategies for recruiting and retaining qualified employees.

(e) The commissioner shall prioritize:

(1) for applicants providing legal or social services, organizations that serve populations in areas of the state where worker shortages are most acute or for whom existing legal services and social services during the legal process or while seeking qualified legal assistance are unavailable or insufficient; and

(2) for applicants providing supports for new Americans to obtain or maintain employment in the long-term care workforce, applications from joint labor management programs.

Subd. 4. **Allowable uses of grant money.** (a) Organizations receiving grant money under this section must provide one or more of the following:

(1) intake, assessment, referral, orientation, legal advice, or representation to new Americans to seek or maintain legal or citizenship status and secure or maintain legal authorization for employment in the United States;

(2) social services designed to help eligible populations meet their immediate basic needs during the process of seeking or maintaining legal status and legal authorization for employment, including but not limited to accessing housing, food, employment or employment training, education, course fees, community orientation, transportation, child care, and medical care. Social services may also include navigation services to address ongoing needs once immediate basic needs have been met;
or

(3) specialized activities targeted to individuals to support recruitment and connection to long-term care employment opportunities including:

(i) developing connections to employment with long-term care employers and potential employees;

(ii) providing recruitment, training, guidance, mentorship, and other support services necessary to encourage employment, employee retention, and successful community integration;

(iii) providing career education, wraparound support services, and job skills training in high-demand health care and long-term care fields;

(iv) paying for program expenses related to long-term care professions, including but not limited to hiring instructors and navigators, space rentals, and supportive services to help participants attend classes. Allowable uses for supportive services include but are not limited to:

(A) course fees;

(B) child care costs;

(C) transportation costs;

(D) tuition fees;

(E) financial coaching fees;

(F) mental health supports; and

(G) uniform costs incurred as a direct result of participating in classroom instruction or training;
or

(v) repaying student loan debt directly incurred as a result of pursuing a qualifying course of study or training.

Subd. 5. **Reporting.** (a) Grant recipients under this section must collect and report to the commissioner information on program participation and program outcomes. The commissioner shall determine the form and timing of reports.

(b) Grant recipients providing immigration legal services under this section must collect and report to the commissioner data that are consistent with the requirements established for the advisory committee established by the supreme court under Minnesota Statutes, section 480.242, subdivision 1.

Subd. 6. **Impact study and evaluation.** (a) The commissioner shall conduct a study of the long-term care workforce portion of the grant program under this section to assess the impacts on new Americans served by the grant program and may evaluate the following:

(1) employee retention;

(2) employee compensation;

(3) career advancement and mobility;

(4) career satisfaction; and

(5) safety in the workplace.

(b) By June 30, 2027, the commissioner shall submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over human services finance and policy on the impacts on new Americans engaged in the grant program, based on the results of the evaluation under paragraph (a). Where feasible, the report must include recommendations to improve the experience of new Americans in the long-term care workforce.

Sec. 61. **SUPPORTED-DECISION-MAKING PROGRAMS.**

Subdivision 1. **Authorization.** The commissioner of human services shall award general operating grants to public and private nonprofit organizations, counties, and Tribes to provide and promote supported decision making.

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

(b) "Supported decision making" has the meaning given in section 524.5-102, subdivision 16a.

(c) "Supported-decision-making services" means services provided to help an individual consider, access, or develop supported decision making, potentially as an alternative to more restrictive forms of decision making, including guardianship and conservatorship. The services may be provided to the individual, family members, or trusted support people. The individual may currently be a person subject to guardianship or conservatorship, but the services must not be used to help a person access a guardianship or conservatorship.

Subd. 3. **Grants.** (a) The grants must be distributed as follows:

(1) at least 75 percent of the grant money must be used to fund programs or organizations that provide supported-decision-making services;

(2) no more than 20 percent of the grant money may be used to fund county or Tribal programs that provide supported-decision-making services; and

(3) no more than five percent of the grant money may be used to fund programs or organizations that do not provide supported-decision-making services but do promote the use and advancement of supported decision making.

(b) The grants must be distributed in a manner to promote racial and geographic diversity in the populations receiving services as determined by the commissioner.

Subd. 4. **Evaluation and report.** By December 1, 2024, the commissioner must submit to the chairs and ranking minority members of the legislative committees with jurisdiction over human services finance and policy an interim report on the impact and outcomes of the grants, including the number of grants awarded and the organizations receiving the grants. The interim report must include any available evidence of how grantees were able to increase utilization of supported decision making and reduce or avoid more restrictive forms of decision making such as guardianship and conservatorship. By December 1, 2025, the commissioner must submit to the chairs and ranking minority members of the legislative committees with jurisdiction over human services finance and policy a final report on the impact and outcomes of the grants, including any updated information

from the interim report and the total number of people served by the grants. The final report must also detail how the money was used to achieve the requirements in subdivision 3, paragraph (b).

Subd. 5. **Applications.** Any public or private nonprofit agency may apply to the commissioner for a grant under subdivision 3, paragraph (a), clause (1) or (3). Any county or Tribal agency in Minnesota may apply to the commissioner for a grant under subdivision 3, paragraph (a), clause (2). The application must be submitted in a form approved by the commissioner.

Subd. 6. **Duties of grantees.** Every public or private nonprofit agency, county, or Tribal agency that receives a grant to provide or promote supported decision making must comply with rules related to the administration of the grants.

Sec. 62. APPROVAL OF CORPORATE FOSTER CARE MORATORIUM EXCEPTIONS.

(a) The commissioner of human services may approve or deny corporate foster care moratorium exceptions requested under Minnesota Statutes, section 245A.03, subdivision 7, paragraph (a), clause (5), prior to approval of a service provider's home and community-based services license under Minnesota Statutes, chapter 245D. Approval of the moratorium exception must not be construed as final approval of a service provider's home and community-based services or community residential setting license.

(b) Approval under paragraph (a) must be available only for service providers that have requested a home and community-based services license under Minnesota Statutes, chapter 245D.

(c) Approval under paragraph (a) must be rescinded if the service provider's application for a home and community-based services or community residential setting license is denied.

(d) This section expires December 31, 2023.

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

Sec. 63. EARLY INTENSIVE DEVELOPMENTAL AND BEHAVIORAL INTERVENTION LICENSURE STUDY.

(a) The commissioner of human services must review the medical assistance early intensive developmental and behavioral intervention (EIDBI) service and evaluate the need for licensure or other regulatory modifications. At a minimum, the evaluation must include:

(1) an examination of current Department of Human Services-licensed programs that are similar to EIDBI;

(2) an environmental scan of licensure requirements for Medicaid autism programs in other states; and

(3) consideration of health and safety needs for populations with autism and related conditions.

(b) The commissioner must consult with interested stakeholders, including self-advocates who use EIDBI services, EIDBI providers, parents of youth who use EIDBI services, and advocacy organizations. The commissioner must convene stakeholder meetings to obtain feedback on licensure or regulatory recommendations.

Sec. 64. **MEMORANDUMS OF UNDERSTANDING.**

The memorandums of understanding with Service Employees International Union Healthcare Minnesota and Iowa, submitted by the commissioner of management and budget on February 27, 2023, are ratified.

Sec. 65. **SELF-DIRECTED WORKER CONTRACT RATIFICATION.**

The labor agreement between the state of Minnesota and the Service Employees International Union Healthcare Minnesota and Iowa, submitted to the Legislative Coordinating Commission on February 27, 2023, is ratified.

Sec. 66. **BUDGET INCREASE FOR CONSUMER-DIRECTED COMMUNITY SUPPORTS.**

(a) Effective January 1, 2024, or upon federal approval, whichever is later, consumer-directed community support budgets identified in the waiver plans under Minnesota Statutes, sections 256B.092 and 256B.49, and chapter 256S; and the alternative care program under Minnesota Statutes, section 256B.0913, must be increased by 8.49 percent.

(b) Effective January 1, 2025, or upon federal approval, whichever is later, consumer-directed community support budgets identified in the waiver plans under Minnesota Statutes, sections 256B.092 and 256B.49, and chapter 256S; and the alternative care program under Minnesota Statutes, section 256B.0913, must be increased by 4.53 percent.

Sec. 67. **DIRECT CARE SERVICE CORPS PILOT PROJECT.**

Subdivision 1. **Establishment.** The Metropolitan Center for Independent Living must develop a pilot project establishing the Minnesota Direct Care Service Corps. The pilot project must utilize financial incentives to attract postsecondary students to work as personal care assistants or direct support professionals. The Metropolitan Center for Independent Living must establish the financial incentives and minimum work requirements to be eligible for incentive payments. The financial incentive must increase with each semester that the student participates in the Minnesota Direct Care Service Corps.

Subd. 2. **Pilot sites.** (a) Pilot sites must include one postsecondary institution in the seven-county metropolitan area and at least one postsecondary institution outside of the seven-county metropolitan area. If more than one postsecondary institution outside the metropolitan area is selected, one must be located in northern Minnesota and the other must be located in southern Minnesota.

(b) After satisfactorily completing the work requirements for a semester, the pilot site or its fiscal agent must pay students the financial incentive developed for the pilot project.

Subd. 3. **Evaluation and report.** (a) The Metropolitan Center for Independent Living must contract with a third party to evaluate the pilot project's impact on health care costs, retention of personal care assistants, and patients' and providers' satisfaction of care. The evaluation must include the number of participants, the hours of care provided by participants, and the retention of participants from semester to semester.

(b) By January 15, 2025, the Metropolitan Center for Independent Living must report the findings under paragraph (a) to the chairs and ranking minority members of the legislative committees with jurisdiction over human services finance and policy.

Sec. 68. **RATE INCREASE FOR HOME CARE SERVICES.**

(a) The commissioner of human services shall increase payment rates for home health agency services under Minnesota Statutes, section 256B.0653, by 14.99 percent from the rates in effect on December 31, 2023.

(b) The commissioner shall increase payment rates for home care nursing under Minnesota Statutes, section 256B.0651, subdivision 2, clause (2), by 25 percent from the rates in effect on December 31, 2023.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 69. **SPECIALIZED EQUIPMENT AND SUPPLIES LIMIT INCREASE.**

Upon federal approval, the commissioner of human services must increase the annual limit for specialized equipment and supplies under Minnesota's federally approved home and community-based service waiver plans, alternative care, and essential community supports to \$10,000.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 70. **DIRECTION TO COMMISSIONER; APPLICATION OF INTERMEDIATE CARE FACILITIES FOR PERSONS WITH DEVELOPMENTAL DISABILITIES RATE INCREASES.**

The commissioner of human services shall apply the rate increases under Minnesota Statutes, section 256B.5012, subdivisions 19 and 20, as follows:

(1) apply Minnesota Statutes, section 256B.5012, subdivision 19; and

(2) apply any required rate increase as required under Minnesota Statutes, section 256B.5012, subdivision 20, to the results of clause (1).

Sec. 71. **RATE INCREASE FOR CERTAIN DISABILITY WAIVER SERVICES.**

The commissioner of human services shall increase payment rates for chore services and home-delivered meals provided under Minnesota Statutes, sections 256B.092 and 256B.49, by 14.99 percent from the rates in effect on December 31, 2023.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 72. RATE INCREASE FOR EARLY INTENSIVE DEVELOPMENTAL AND BEHAVIORAL INTERVENTION BENEFIT SERVICES.

The commissioner of human services shall increase payment rates for early intensive developmental and behavioral intervention services under Minnesota Statutes, section 256B.0949, by 14.99 percent from the rates in effect on December 31, 2023.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 73. RATE INCREASE FOR INTERMEDIATE CARE FACILITIES FOR PERSONS WITH DEVELOPMENTAL DISABILITIES DAY TRAINING AND HABILITATION SERVICES.

The commissioner of human services shall increase payment rates for day training and habilitation services under Minnesota Statutes, section 252.46, by 14.99 percent from the rates in effect on December 31, 2023.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 74. STUDY TO EXPAND ACCESS TO SERVICES FOR PEOPLE WITH CO-OCCURRING BEHAVIORAL HEALTH CONDITIONS AND DISABILITIES.

The commissioner of human services, in consultation with stakeholders, must evaluate options to expand services authorized under Minnesota's federally approved home and community-based waivers, including positive support, crisis respite, respite, and specialist services. The evaluation may include surveying community providers as to the barriers to meeting people's needs and options to authorize services under Minnesota's medical assistance state plan and strategies to decrease the number of people who remain in hospitals, jails, and other acute or crisis settings when they no longer meet medical or other necessity criteria.

Sec. 75. TEMPORARY GRANT FOR SMALL CUSTOMIZED LIVING PROVIDERS.

(a) The commissioner of human services must establish a temporary grant for:

(1) customized living providers that serve six or fewer people in a single-family home; and

(2) community residential service providers and integrated community supports providers who transitioned from providing customized living or 24-hour customized living on or after June 30, 2021.

(b) Allowable uses of grant money include physical plant updates required for community residential services or integrated community supports licensure, technical assistance to adapt business models and meet policy and regulatory guidance, and other uses approved by the commissioner. Allowable uses of grant money also include reimbursement for eligible costs incurred by a community residential service provider or integrated community supports provider directly related to the

provider's transition from providing customized living or 24-hour customized living. License holders of eligible settings must apply for grant money using an application process determined by the commissioner. Grant money approved by the commissioner is a onetime award of up to \$50,000 per eligible setting. To be considered for grant money, eligible license holders must submit a grant application by June 30, 2024. The commissioner may approve grant applications on a rolling basis.

Sec. 76. DIRECTION TO COMMISSIONER; SUPPORTED-DECISION-MAKING REIMBURSEMENT STUDY.

By December 15, 2024, the commissioner shall issue a report to the governor and the chairs and ranking minority members of the legislative committees with jurisdiction over human services finance and policy detailing how medical assistance service providers could be reimbursed for providing supported-decision-making services. The report must detail recommendations for all medical assistance programs, including all home and community-based programs, to provide for reimbursement for supported-decision-making services. The report must develop detailed provider requirements for reimbursement, including the criteria necessary to provide high-quality services. In developing provider requirements, the commissioner shall consult with all relevant stakeholders, including organizations currently providing supported-decision-making services. The report must also include strategies to promote equitable access to supported-decision-making services to individuals who are Black, Indigenous, or People of Color; people from culturally specific communities; people from rural communities; and other people who may experience barriers to accessing medical assistance home and community-based services.

Sec. 77. DIRECTION TO COMMISSIONER; SHARED SERVICES.

(a) By December 31, 2023, the commissioner of human services shall seek any necessary changes to home and community-based services waiver plans regarding sharing services in order to:

(1) permit shared services for chore, homemaker, and night supervision;

(2) permit existing shared services at higher ratios, including individualized home supports without training, individualized home supports with training, and individualized home supports with family training at a ratio of one staff person to three recipients;

(3) ensure that individuals who are seeking to share services permitted under the waiver plans in an own-home setting are not required to live in a licensed setting in order to share services so long as all other requirements are met; and

(4) issue guidance for shared services, including:

(i) informed choice for all individuals sharing the services;

(ii) guidance on how lead agencies and individuals shall determine that shared service is appropriate to meet the needs, health, and safety of each individual for whom the lead agency provides case management or care coordination; and

(iii) guidance clarifying that an individual's decision to share services does not reduce any determination of the individual's overall or assessed needs for services.

(b) The commissioner shall develop or provide guidance outlining:

(1) instructions for shared services support planning;

(2) person-centered approaches and informed choice in shared services support planning; and

(3) required contents of shared services agreements.

(c) The commissioner shall seek and utilize stakeholder input for any proposed changes to waiver plans and any shared services guidance.

Sec. 78. DIRECTION TO COMMISSIONER; DISABILITY WAIVER SHARED SERVICES RATES.

The commissioner of human services shall establish a rate system for shared homemaker services and shared chore services provided under Minnesota Statutes, sections 256B.092 and 256B.49. For two persons sharing services, the rate paid to a provider must not exceed 1-1/2 times the rate paid for serving a single individual, and for three persons sharing services, the rate paid to a provider must not exceed two times the rate paid for serving a single individual. These rates apply only when all of the criteria for the shared service have been met.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when approval is obtained.

Sec. 79. INTERAGENCY EMPLOYMENT SUPPORTS ALIGNMENT STUDY.

The commissioners of human services, employment and economic development, and education must conduct an interagency alignment study on employment supports for people with disabilities. The study must evaluate:

(1) service rates;

(2) provider enrollment and monitoring standards; and

(3) eligibility processes and people's lived experience transitioning between employment programs.

Sec. 80. MONITORING EMPLOYMENT OUTCOMES.

By January 15, 2025, the Departments of Human Services, Employment and Economic Development, and Education must provide the chairs and ranking minority members of the legislative committees with jurisdiction over health, human services, and labor finance and policy with a plan for tracking employment outcomes for people with disabilities served by programs administered by the agencies. This plan must include any needed changes to state law to track supports received and outcomes across programs.

Sec. 81. STUDY ON PRESUMPTIVE ELIGIBILITY FOR LONG-TERM SERVICES AND SUPPORTS.

(a) The commissioner of human services must study presumptive financial and functional eligibility for people with disabilities and older adults in the following programs:

- (1) medical assistance, alternative care, and essential community supports; and
- (2) home and community-based services.

(b) The commissioner must evaluate the following in the study of presumptive eligibility within the programs listed in paragraph (a):

- (1) current eligibility processes;
- (2) barriers to timely eligibility determinations; and
- (3) strategies to enhance access to home and community-based services in the least restrictive setting.

(c) By January 1, 2025, the commissioner must report recommendations and draft legislation to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance and policy.

Sec. 82. ACUTE CARE TRANSITIONS ADVISORY COUNCIL.

Subdivision 1. **Establishment.** The commissioner of human services shall establish an Acute Care Transitions Advisory Council to advise and assist the commissioner in establishing and implementing a statewide vision and systemic approach to acute care transitions in Minnesota.

Subd. 2. **Membership.** (a) The Acute Care Transitions Advisory Council consists of the following members:

- (1) two individuals or their representatives who have lived experiences with acute care transitions;
- (2) two members representing home and community-based services providers;
- (3) two members representing the Minnesota Hospital Association;
- (4) one member representing the Minnesota Association of County Social Service Administrators;
- (5) one member representing the Local Public Health Association;
- (6) one member representing a Tribal government;
- (7) one member representing the University of Minnesota;
- (8) one member representing the State Advisory Council on Mental Health and Subcommittee on Children's Mental Health;
- (9) one member representing a public sector labor union;
- (10) one member representing the Minnesota County Attorney's Association;

(11) one individual who has had an acute hospital stay initiated during a crisis;

(12) one parent of a child who has had an acute hospital stay initiated during a crisis;

(13) one individual who meets the definition of a caring professional;

(14) the commissioner of human services or a designee;

(15) the commissioner of health or a designee; and

(16) the commissioner of education or a designee.

(b) To the extent possible, the advisory council members must represent diverse populations and different areas of the state.

(c) A member of the legislature may not serve as a member of the advisory council.

Subd. 3. **Cochairs; convening first meeting.** The commissioner of human services shall convene the first meeting. Advisory council members must select advisory council cochairs at the first meeting.

Subd. 4. **Compensation; expenses; reimbursement.** Advisory council members must be compensated and reimbursed for expenses as provided in Minnesota Statutes, section 15.059, subdivision 3.

Subd. 5. **Administrative support.** The commissioner of human services shall provide meeting space and administrative support to the advisory council.

Subd. 6. **Public and community engagement.** The commissioner of human services shall conduct public and community engagement to obtain information about barriers and potential solutions to transitioning patients from acute care settings to more appropriate nonacute care settings and must provide the information collected through public and community engagement to the advisory council.

Subd. 7. **Duties.** (a) By October 1, 2024, the advisory council shall develop and present to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health and human services finance and policy and the commissioner of human services an action plan for creating a systemic approach to acute care transitions for Minnesotans. The action plan must include but is not limited to the following:

(1) recommendations to improve regional capacity for acute care transitions, including examining the roles and experience of counties and Tribes in delivering services and identifying any conflicting and duplicative roles and responsibilities among health and human services agencies, counties, and Tribes;

(2) recommendations to create a measurement and evaluation system using implementation science to analyze regional and statewide data in transitions and make ongoing recommendations for policy and program improvement; and

(3) statewide strategies for improving access to transitioning from acute care settings with a focus on addressing geographic, racial, and ethnic disparities.

(b) The advisory council may contract with a private entity or consultant as necessary to complete its duties under this section, and is exempt from state procurement process requirements under Minnesota Statutes, chapter 16C.

Subd. 8. **Limitations.** (a) In developing the action plan, the advisory council shall take into consideration the impact of its recommendations on:

(1) the existing capacity of state agencies, including staffing needs, technology resources, and existing agency responsibilities; and

(2) the capacity of county and Tribal partners.

(b) The advisory council shall not include in the action plan recommendations that may result in loss of benefits for the individuals eligible for state health and human services public programs or exacerbate health disparities and inequities in access to health care and human services.

Subd. 9. **Expiration.** The Acute Care Transitions Advisory Council expires October 2, 2024, or the day after submitting the action plan required under subdivision 7, whichever is earlier.

Sec. 83. OVERPAYMENTS FOR DISABILITY WAIVER CUSTOMIZED LIVING SERVICES.

(a) Notwithstanding Minnesota Statutes, section 256B.064, or any other law to the contrary, providers that received ineligible payments for customized living services under the community access for disability inclusion or brain injury waivers for people under age 55 who were not residing in the setting before January 11, 2021, must not be required to repay ineligible payments related to the age restrictions for customized living services delivered between January 11, 2021, and July 1, 2023. The state must not sanction providers for receipt of these ineligible payments or otherwise seek recovery of these payments.

(b) The state must repay with state money any amount owed to the Centers for Medicare and Medicaid Services for the federal financial participation amount received by the state for ineligible payments identified in paragraph (a).

(c) Nothing in this section prohibits the commissioner from recouping past claims due to false claims or for reasons other than ineligible payments related to age restrictions for disability waiver customized living services for people who were not residing in the setting between January 11, 2021, and July 1, 2023, or from recouping future ineligible payments for disability customized living services, including from providers who received the ineligible payments described in paragraph (a).

(d) The commissioner must update guidance and communicate with lead agencies and customized living service providers to ensure that lead agencies and providers understand the requirements for medical assistance disability waiver customized living service payments.

Sec. 84. PERSONAL CARE ASSISTANCE COMPENSATION FOR SERVICES PROVIDED BY A PARENT OR SPOUSE.

(a) Notwithstanding Minnesota Statutes, section 256B.0659, subdivisions 3, paragraph (a), clause (a); 11, paragraph (c); and 19, paragraph (b), clause (3), a parent, stepparent, or legal guardian of a minor who is a personal care assistance recipient or the spouse of a personal care assistance recipient may provide and be paid for providing personal care assistance services under medical assistance. The commissioner shall seek federal approval for these payments. If federal approval is not received, the commissioner shall make payments for services rendered, prior to federal disapproval, without federal financial participation.

(b) This section expires November 11, 2023, or upon the expiration of federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval expires.

EFFECTIVE DATE. This section is effective retroactively from May 12, 2023.

Sec. 85. **REPEALER.**

(a) Minnesota Statutes 2022, section 256B.4914, subdivision 9a, is repealed.

(b) Minnesota Statutes 2022, section 256B.4914, subdivision 6b, is repealed.

EFFECTIVE DATE. Paragraph (a) is effective January 1, 2024, or upon federal approval, whichever is later, and paragraph (b) is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

ARTICLE 2

AGING SERVICES

Section 1. Minnesota Statutes 2022, section 256.975, subdivision 6, is amended to read:

Subd. 6. ~~**Indian Native American elders coordinator position.**~~ (a) The Minnesota Board on Aging shall create a Native American elders coordinator position; and shall hire staff as appropriations permit for the purposes of coordinating efforts with the National Indian Council on Aging and developing facilitating the coordination and development of a comprehensive statewide Tribal-based service system for Indian Native American elders. An Indian elder is defined for purposes of this subdivision as an Indian enrolled in a band or tribe who is 55 years or older.

(b) For purposes of this subdivision, the following terms have the meanings given:

(1) "Native American elder" means an individual enrolled in a federally recognized Tribe and identified as an elder according to the requirements of the individual's home Tribe; and

(2) "Tribal government" means representatives of each of the 11 federally recognized Native American Tribes located wholly or partially within the boundaries of the state of Minnesota.

(c) The statewide Tribal-based service system ~~must~~ may include the following components:

(1) ~~an assessment of the program eligibility, examining the need to change the age-based eligibility criteria to need-based eligibility criteria;~~

~~(2) (1) a planning system that would plan to grant, or make recommendations for granting, federal and state funding for statewide Tribal-based Native American programs and services;~~

(2) a plan to develop business initiatives involving Tribal members that will qualify for federal- and state-funded elder service contracts;

(3) a plan for statewide Tribal-based service focal points, senior centers, or community centers for socialization and service accessibility for Indian Native American elders;

(4) a plan to develop and implement statewide education and public awareness campaigns, promotions, including awareness programs, sensitivity cultural sensitivity training, and public education on Indian elder needs Native American elders;

(5) a plan for statewide culturally appropriate information and referral services for Native American elders, including legal advice and counsel and trained advocates and an Indian elder newsletter;

(6) a plan for a coordinated statewide Tribal-based health care system including health promotion/prevention promotion and prevention, in-home service, long-term care service, and health care services;

(7) a plan for ongoing research involving Indian elders including needs assessment and needs analysis; collection of significant data on Native American elders, including population, health, socialization, mortality, homelessness, and economic status; and

~~(8) information and referral services for legal advice or legal counsel; and~~

~~(9) (8) a plan to coordinate services with existing organizations, including but not limited to the state of Minnesota, the Council of Minnesota Indian Affairs Council, the Minnesota Indian Council of Elders, the Minnesota Board on Aging, Wisdom Steps, and Minnesota Tribal governments.~~

Sec. 2. Minnesota Statutes 2022, section 256.9754, is amended to read:

256.9754 COMMUNITY SERVICES DEVELOPMENT LIVE WELL AT HOME GRANTS PROGRAM.

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

(a) "Community" means a town, township, city, or targeted neighborhood within a city, or a consortium of towns, townships, cities, or targeted neighborhoods within cities.

(b) "Core home and community-based services provider" means a Faith in Action, Living at Home/Block Nurse, congregational nurse, or similar community-based program governed by a board, the majority of whose members reside within the program's service area, that organizes and uses volunteers and paid staff to deliver nonmedical services intended to assist older adults to identify and manage risks and to maintain the older adults' community living and integration in the community.

(c) "Long-term services and supports" means any service available under the elderly waiver program or alternative care grant programs, nursing facility services, transportation services, caregiver

support and respite care services, and other home and community-based services identified as necessary either to maintain lifestyle choices for older adults or to support older adults to remain in their own home.

~~(b)~~ (d) "Older adult services" means any services available under the elderly waiver program or alternative care grant programs; nursing facility services; transportation services; respite services; and other community-based services identified as necessary either to maintain lifestyle choices for older Minnesotans, or to promote independence.

~~(e)~~ (e) "Older adult" refers to individuals 65 years of age and older.

Subd. 2. **Creation; purpose.** ~~(a) The community services development live well at home grants program is~~ are created under the administration of the commissioner of human services.

(b) The purpose of projects selected by the commissioner of human services under this section is to make strategic changes in the long-term services and supports system for older adults and people with dementia, including statewide capacity for local service development and technical assistance and statewide availability of home and community-based services for older adult services, caregiver support and respite care services, and other supports in Minnesota. These projects are intended to create incentives for new and expanded home and community-based services in Minnesota in order to:

(1) reach older adults early in the progression of older adults' need for long-term services and supports, providing them with low-cost, high-impact services that will prevent or delay the use of more costly services;

(2) support older adults to live in the most integrated, least restrictive community setting;

(3) support the informal caregivers of older adults;

(4) develop and implement strategies to integrate long-term services and supports with health care services, in order to improve the quality of care and enhance the quality of life of older adults and older adults' informal caregivers;

(5) ensure cost-effective use of financial and human resources;

(6) build community-based approaches and community commitment to delivering long-term services and supports for older adults in their own homes;

(7) achieve a broad awareness and use of lower-cost in-home services as an alternative to nursing homes and other residential services;

(8) strengthen and develop additional home and community-based services and alternatives to nursing homes and other residential services; and

(9) strengthen programs that use volunteers.

(c) The services provided by these projects are available to older adults who are eligible for medical assistance and the elderly waiver under chapter 256S, the alternative care program under

section 256B.0913, or the essential community supports grant under section 256B.0922, and to older adults who have their own money to pay for services.

Subd. 3. **Provision of Community services development grants.** The commissioner shall make community services development grants available to communities, providers of older adult services ~~identified in subdivision 1, or to~~ a consortium of providers of older adult services, to establish older adult services. Grants may be provided for capital and other costs including, but not limited to, start-up and training costs, equipment, and supplies related to older adult services or other residential or service alternatives to nursing facility care. Grants may also be made to renovate current buildings, provide transportation services, fund programs that would allow older adults or individuals with a disability to stay in their own homes by sharing a home, fund programs that coordinate and manage formal and informal services to older adults in their homes to enable them to live as independently as possible in their own homes as an alternative to nursing home care, or expand state-funded programs in the area.

Subd. 3a. **Priority for other grants.** The commissioner of health shall give priority to a grantee selected under subdivision 3 when awarding technology-related grants, if the grantee is using technology as part of the proposal unless that priority conflicts with existing state or federal guidance related to grant awards by the Department of Health. The commissioner of transportation shall give priority to a grantee under subdivision 3 when distributing transportation-related funds to create transportation options for older adults unless that preference conflicts with existing state or federal guidance related to grant awards by the Department of Transportation.

Subd. 3b. **State waivers.** The commissioner of health may waive applicable state laws and rules for grantees under subdivision 3 on a time-limited basis if the commissioner of health determines that a participating grantee requires a waiver in order to achieve demonstration project goals.

Subd. 3c. **Caregiver support and respite care projects.** (a) The commissioner shall establish projects to expand the availability of caregiver support and respite care services for family and other caregivers. The commissioner shall use a request for proposals to select nonprofit entities to administer the projects. Projects must:

- (1) establish a local coordinated network of volunteer and paid respite workers;
- (2) coordinate assignment of respite care services to caregivers of older adults;
- (3) assure the health and safety of the older adults;
- (4) identify at-risk caregivers;
- (5) provide information, education, and training for caregivers in the designated community;
and
- (6) demonstrate the need in the proposed service area, particularly where nursing facility closures have occurred or are occurring or areas with service needs identified by section 144A.351. Preference must be given for projects that reach underserved populations.

(b) Projects must clearly describe:

- (1) how they will achieve their purpose;
- (2) the process for recruiting, training, and retraining volunteers; and
- (3) a plan to promote the project in the designated community, including outreach to older adults needing the services.

(c) Money for all projects under this subdivision may be used to:

- (1) hire a coordinator to develop a coordinated network of volunteer and paid respite care services and assign workers to clients;
- (2) recruit and train volunteer providers;
- (3) provide information, training, and education to caregivers;
- (4) advertise the availability of the caregiver support and respite care project; and
- (5) purchase equipment to maintain a system of assigning workers to clients.

(d) Volunteer and caregiver training must include resources on how to support an individual with dementia.

(e) Project money may not be used to supplant existing funding sources.

Subd. 3d. **Core home and community-based services projects.** The commissioner shall select and contract with core home and community-based services providers for projects to provide services and supports to older adults both with and without family and other informal caregivers using a request for proposals process. Projects must:

- (1) have a credible public or private nonprofit sponsor providing ongoing financial support;
- (2) have a specific, clearly defined geographic service area;
- (3) use a practice framework designed to identify high-risk older adults and help them take action to better manage their chronic conditions and maintain their community living;
- (4) have a team approach to coordination and care, ensuring that the older adult participants, participants families, and the formal and informal providers are all part of planning and providing services;
- (5) provide information, support services, homemaking services, counseling, and training for the older adults and family caregivers;
- (6) encourage service area or neighborhood residents and local organizations to collaborate in meeting the needs of older adults in their geographic service areas;
- (7) recruit, train, and direct the use of volunteers to provide informal services and other appropriate support to older adults and their caregivers; and

(8) provide coordination and management of formal and informal services to older adults and older adults families using less expensive alternatives.

Subd. 3e. **Community service grants.** The commissioner shall award contracts for grants to public and private nonprofit agencies to establish services that strengthen a community's ability to provide a system of home and community-based services for elderly persons. The commissioner shall use a request for proposals process.

Subd. 3f. **Live Well at Home grant extensions.** (a) A current grantee under subdivision 3, 3c, 3d, or 3e may apply to the commissioner to receive on a noncompetitive basis up to two years of additional funding.

(b) To be eligible for a grant extension, a grant extension applicant must have been awarded a grant under this section within the previous five years and provide at least one eligible service in an underserved community. The grantee must submit to the commissioner a letter of intent to continue providing the eligible service after the expiration of a grant extension provided under this subdivision.

(c) The commissioner of human services must give priority to submitted letters of intent from grantees who have demonstrated success in providing chore services, homemaker services, transportation services, grocery services, caregiver supports, service coordination, or other home and community-based services to older adults in underserved communities.

(d) Notwithstanding section 16B.98, subdivision 5, paragraph (b), the commissioner may from within available appropriations extend a grant agreement up to two additional years, not to exceed seven years, for grantees the commissioner determines can successfully sustain the grantee's Live Well at Home project with the additional funds made available through the grant agreement extension.

Subd. 4. **Eligibility.** Grants may be awarded only to communities and providers or to a consortium of providers that have a local match of 50 percent of the costs for the project in the form of donations, local tax dollars, in-kind donations, fundraising, or other local matches.

Subd. 5. **Grant preference.** The commissioner of human services shall give preference when awarding grants under this section to areas where nursing facility closures have occurred or are occurring or areas with service needs identified by section 144A.351. The commissioner may award grants to the extent grant funds are available and to the extent applications are approved by the commissioner. Denial of approval of an application in one year does not preclude submission of an application in a subsequent year. The maximum grant amount is limited to \$750,000.

Sec. 3. **[256.9756] CAREGIVER RESPITE SERVICES GRANTS.**

Subdivision 1. **Caregiver respite services grant program established.** The Minnesota Board on Aging must establish a caregiver respite services grant program to increase the availability of respite services for family caregivers of people with dementia and older adults and to provide information, education, and training to respite caregivers and volunteers regarding caring for people with dementia. From the money made available for this purpose, the board must award grants on a competitive basis to respite service providers, giving priority to areas of the state where there is a high need of respite services.

Subd. 2. **Eligible uses.** Grant recipients awarded grant money under this section must use a portion of the grant award as determined by the board to provide free or subsidized respite services for family caregivers of people with dementia and older adults.

Subd. 3. **Report.** By January 15, 2026, the board shall submit a progress report about the caregiver respite services grants in this section to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over human services finance and policy. The progress report must include metrics of the use of grant program money. This subdivision expires upon submission of the report. The board shall notify the revisor of statutes when the report is submitted.

Sec. 4. Minnesota Statutes 2022, section 256B.0913, subdivision 4, is amended to read:

Subd. 4. **Eligibility for funding for services for nonmedical assistance recipients.** (a) Funding for services under the alternative care program is available to persons who meet the following criteria:

(1) the person is a citizen of the United States or a United States national;

(2) the person has been determined by a community assessment under section 256B.0911 to be a person who would require the level of care provided in a nursing facility, as determined under section 256B.0911, subdivision 26, but for the provision of services under the alternative care program;

(3) the person is age 65 or older;

(4) the person would be eligible for medical assistance within 135 days of admission to a nursing facility;

(5) the person is not ineligible for the payment of long-term care services by the medical assistance program due to an asset transfer penalty under section 256B.0595 or equity interest in the home exceeding \$500,000 as stated in section 256B.056;

(6) the person needs long-term care services that are not funded through other state or federal funding, or other health insurance or other third-party insurance such as long-term care insurance;

(7) except for individuals described in clause (8), the monthly cost of the alternative care services funded by the program for this person does not exceed 75 percent of the monthly limit described under section 256S.18. This monthly limit does not prohibit the alternative care client from payment for additional services, but in no case may the cost of additional services purchased under this section exceed the difference between the client's monthly service limit defined under section 256S.04, and the alternative care program monthly service limit defined in this paragraph. If care-related supplies and equipment or environmental modifications and adaptations are or will be purchased for an alternative care services recipient, the costs may be prorated on a monthly basis for up to 12 consecutive months beginning with the month of purchase. If the monthly cost of a recipient's other alternative care services exceeds the monthly limit established in this paragraph, the annual cost of the alternative care services shall be determined. In this event, the annual cost of alternative care services shall not exceed 12 times the monthly limit described in this paragraph;

(8) for individuals assigned a case mix classification A as described under section 256S.18, with (i) no dependencies in activities of daily living, or (ii) up to two dependencies in bathing, dressing, grooming, walking, and eating when the dependency score in eating is three or greater as determined by an assessment performed under section 256B.0911, the monthly cost of alternative care services funded by the program cannot exceed \$593 per month for all new participants enrolled in the program on or after July 1, 2011. This monthly limit shall be applied to all other participants who meet this criteria at reassessment. This monthly limit shall be increased annually as described in section 256S.18. This monthly limit does not prohibit the alternative care client from payment for additional services, but in no case may the cost of additional services purchased exceed the difference between the client's monthly service limit defined in this clause and the limit described in clause (7) for case mix classification A; ~~and~~

(9) the person is making timely payments of the assessed monthly fee. A person is ineligible if payment of the fee is over 60 days past due, unless the person agrees to:

(i) the appointment of a representative payee;

(ii) automatic payment from a financial account;

(iii) the establishment of greater family involvement in the financial management of payments;
or

(iv) another method acceptable to the lead agency to ensure prompt fee payments-; and

(10) for a person participating in consumer-directed community supports, the person's monthly service limit must be equal to the monthly service limits in clause (7), except that a person assigned a case mix classification L must receive the monthly service limit for case mix classification A.

(b) The lead agency may extend the client's eligibility as necessary while making arrangements to facilitate payment of past-due amounts and future premium payments. Following disenrollment due to nonpayment of a monthly fee, eligibility shall not be reinstated for a period of 30 days.

(c) Alternative care funding under this subdivision is not available for a person who is a medical assistance recipient or who would be eligible for medical assistance without a spenddown or waiver obligation. A person whose initial application for medical assistance and the elderly waiver program is being processed may be served under the alternative care program for a period up to 60 days. If the individual is found to be eligible for medical assistance, medical assistance must be billed for services payable under the federally approved elderly waiver plan and delivered from the date the individual was found eligible for the federally approved elderly waiver plan. Notwithstanding this provision, alternative care funds may not be used to pay for any service the cost of which: (i) is payable by medical assistance; (ii) is used by a recipient to meet a waiver obligation; or (iii) is used to pay a medical assistance income spenddown for a person who is eligible to participate in the federally approved elderly waiver program under the special income standard provision.

(d) Alternative care funding is not available for a person who resides in a licensed nursing home, certified boarding care home, hospital, or intermediate care facility, except for case management services which are provided in support of the discharge planning process for a nursing home resident or certified boarding care home resident to assist with a relocation process to a community-based setting.

(e) Alternative care funding is not available for a person whose income is greater than the maintenance needs allowance under section 256S.05, but equal to or less than 120 percent of the federal poverty guideline effective July 1 in the fiscal year for which alternative care eligibility is determined, who would be eligible for the elderly waiver with a waiver obligation.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when approval is obtained.

Sec. 5. Minnesota Statutes 2022, section 256B.0913, subdivision 5, is amended to read:

Subd. 5. **Services covered under alternative care.** Alternative care funding may be used for payment of costs of:

- (1) adult day services and adult day services bath;
- (2) home care;
- (3) homemaker services;
- (4) personal care;
- (5) case management and conversion case management;
- (6) respite care;
- (7) specialized supplies and equipment;
- (8) home-delivered meals;
- (9) nonmedical transportation;
- (10) nursing services;
- (11) chore services;
- (12) companion services;
- (13) nutrition services;
- (14) family caregiver training and education;
- (15) coaching and counseling;
- (16) telehome care to provide services in their own homes in conjunction with in-home visits;
- (17) consumer-directed community supports ~~under the alternative care programs which are available statewide and limited to the average monthly expenditures representative of all alternative care program participants for the same case mix resident class assigned in the most recent fiscal year for which complete expenditure data is available;~~

(18) environmental accessibility and adaptations; and

(19) discretionary services, for which lead agencies may make payment from their alternative care program allocation for services not otherwise defined in this section or section 256B.0625, following approval by the commissioner.

Total annual payments for discretionary services for all clients served by a lead agency must not exceed 25 percent of that lead agency's annual alternative care program base allocation, except that when alternative care services receive federal financial participation under the 1115 waiver demonstration, funding shall be allocated in accordance with subdivision 17.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when approval is obtained.

Sec. 6. Minnesota Statutes 2022, section 256B.0917, subdivision 1b, is amended to read:

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

(b) ~~"Community" means a town, township, city, or targeted neighborhood within a city; or a consortium of towns, townships, cities, or specific neighborhoods within a city.~~

(c) ~~"Core home and community-based services provider" means a Faith in Action, Living at Home Block Nurse, Congregational Nurse, or similar community-based program governed by a board, the majority of whose members reside within the program's service area, that organizes and uses volunteers and paid staff to deliver nonmedical services intended to assist older adults to identify and manage risks and to maintain their community living and integration in the community.~~

(d) ~~"Eldercare development partnership" means a team of representatives of county social service and public health agencies, the area agency on aging, local nursing home providers, local home care providers, and other appropriate home and community-based providers in the area agency's planning and service area.~~

(e) (c) ~~"Long-term services and supports" means any service available under the elderly waiver program or alternative care grant programs, nursing facility services, transportation services, caregiver support and respite care services, and other home and community-based services identified as necessary either to maintain lifestyle choices for older adults or to support them to remain in their own home.~~

(f) (d) ~~"Older adult" refers to an individual who is 65 years of age or older.~~

Sec. 7. Minnesota Statutes 2022, section 256M.42, is amended to read:

256M.42 ADULT PROTECTION GRANT ALLOCATIONS.

Subdivision 1. **Formula.** (a) The commissioner shall allocate state money appropriated under this section on an annual basis to each county board ~~and tribal government approved by the commissioner to assume county agency duties for adult protective services or as a lead investigative agency protection~~ under section 626.557 on an annual basis in an amount determined and to Tribal

Nations that have voluntarily chosen by resolution of Tribal government to participate in vulnerable adult protection programs according to the following formula after the award of the amounts in paragraph (c):

(1) 25 percent must be allocated to the responsible agency on the basis of the number of reports of suspected vulnerable adult maltreatment under sections 626.557 and 626.5572, ~~when the county or tribe is responsible~~ as determined by the most recent data of the commissioner; and

(2) 75 percent must be allocated to the responsible agency on the basis of the number of screened-in reports for adult protective services or vulnerable adult maltreatment investigations under sections 626.557 and 626.5572, ~~when the county or tribe is responsible~~ as determined by the most recent data of the commissioner.

~~(b) The commissioner is precluded from changing the formula under this subdivision or recommending a change to the legislature without public review and input. Notwithstanding paragraph (a), the commissioner must not award a county less than a minimum allocation established by the commissioner.~~

(c) To receive money under this subdivision, a participating Tribal Nation must apply to the commissioner. Of the amount appropriated for purposes of this section, the commissioner must award \$100,000 to each federally recognized Tribal Nation that has applied to the commissioner and has a Tribal resolution establishing a vulnerable adult protection program. Money received by a Tribal Nation under this section must be used for its vulnerable adult protection program.

Subd. 2. **Payment.** The commissioner shall make allocations for the state fiscal year starting July 1, ~~2019~~ 2023, and to each county board or Tribal government on or before October 10, ~~2019~~ 2023. The commissioner shall make allocations under subdivision 1 to each county board or Tribal government each year thereafter on or before July 10.

Subd. 3. ~~**Prohibition on supplanting existing money**~~ **Purpose of expenditures.** Money received under this section must be used ~~for staffing for protection of vulnerable adults or~~ to meet the agency's duties under section 626.557 and to expand adult protective services to stop, prevent, and reduce risks of maltreatment for adults accepted for services under section 626.557, or for multidisciplinary teams under section 626.5571. ~~Money must not be used to supplant current county or tribe expenditures for these purposes.~~

Subd. 4. **Required expenditures.** State money must be used to expand, not supplant, county or Tribal expenditures for the fiscal year 2023 base for adult protection programs, service interventions, or multidisciplinary teams. A county receiving money under this section must maintain a level of yearly county expenditures for adult protection services under chapter 626 at least equal to that county's average expenditures for those services for calendar years 2022 and 2023.

Subd. 5. **County performance on adult protection measures.** The commissioner must set vulnerable adult protection measures and standards for money received under this section. The commissioner must require an underperforming county to demonstrate that the county designated money allocated under this section for the purpose required and implemented a reasonable strategy to improve adult protection performance, including the development of a performance improvement plan and additional remedies identified by the commissioner. The commissioner may redirect up to

20 percent of an underperforming county's money under this section toward the performance improvement plan.

Subd. 6. **American Indian adult protection.** Tribal Nations receiving money under this section must establish vulnerable adult protection measures and standards and report annually to the commissioner on these outcomes and the number of adults served.

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

Sec. 8. Minnesota Statutes 2022, section 256R.17, subdivision 2, is amended to read:

Subd. 2. **Case mix indices.** (a) The commissioner shall assign a case mix index to each case mix classification ~~based on the Centers for Medicare and Medicaid Services staff time measurement study as determined by the commissioner of health under section 144.0724.~~

(b) An index maximization approach shall be used to classify residents. "Index maximization" has the meaning given in section 144.0724, subdivision 2, paragraph (c).

Sec. 9. Minnesota Statutes 2022, section 256R.25, is amended to read:

256R.25 EXTERNAL FIXED COSTS PAYMENT RATE.

(a) The payment rate for external fixed costs is the sum of the amounts in paragraphs (b) to ~~(o)~~ (p).

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

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

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

(e) The portion related to scholarships is determined under section 256R.37.

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

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

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

(i) The portions related to real estate taxes, special assessments, and payments made in lieu of real estate taxes directly identified or allocated to the nursing facility are the allowable amounts divided by the sum of the facility's resident days. Allowable costs under this paragraph for payments

made by a nonprofit nursing facility that are in lieu of real estate taxes shall not exceed the amount which the nursing facility would have paid to a city or township and county for fire, police, sanitation services, and road maintenance costs had real estate taxes been levied on that property for those purposes.

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

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

(l) The portion related to quality improvement incentive payment rate adjustments is the amount determined under section 256R.39.

(m) The portion related to performance-based incentive payments is the amount determined under section 256R.38.

(n) The portion related to special dietary needs is the amount determined under section 256R.51.

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

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

EFFECTIVE DATE. This section is effective July 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 10. Minnesota Statutes 2022, section 256R.47, is amended to read:

256R.47 RATE ADJUSTMENT FOR CRITICAL ACCESS NURSING FACILITIES.

(a) The commissioner, in consultation with the commissioner of health, may designate certain nursing facilities as critical access nursing facilities. The designation shall be granted on a competitive basis, within the limits of funds appropriated for this purpose.

(b) The commissioner shall request proposals from nursing facilities every two years. Proposals must be submitted in the form and according to the timelines established by the commissioner. In selecting applicants to designate, the commissioner, in consultation with the commissioner of health, and with input from stakeholders, shall develop criteria designed to preserve access to nursing facility services in isolated areas, rebalance long-term care, and improve quality. To the extent practicable, the commissioner shall ensure an even distribution of designations across the state.

(c) ~~The commissioner shall allow the benefits in clauses (1) to (5)~~ For nursing facilities designated as critical access nursing facilities, the commissioner shall allow a supplemental payment above a facility's operating payment rate as determined to be necessary by the commissioner to maintain access to nursing facility services in isolated areas identified in paragraph (b). The commissioner must approve the amounts of supplemental payments through a memorandum of understanding.

Supplemental payments to facilities under this section must be in the form of time-limited rate adjustments included in the external fixed costs payment rate under section 256R.25.

~~(1) partial rebasing, with the commissioner allowing a designated facility operating payment rates being the sum of up to 60 percent of the operating payment rate determined in accordance with section 256R.21, subdivision 3, and at least 40 percent, with the sum of the two portions being equal to 100 percent, of the operating payment rate that would have been allowed had the facility not been designated. The commissioner may adjust these percentages by up to 20 percent and may approve a request for less than the amount allowed;~~

~~(2) enhanced payments for leave days. Notwithstanding section 256R.43, upon designation as a critical access nursing facility, the commissioner shall limit payment for leave days to 60 percent of that nursing facility's total payment rate for the involved resident, and shall allow this payment only when the occupancy of the nursing facility, inclusive of bed hold days, is equal to or greater than 90 percent;~~

~~(3) two designated critical access nursing facilities, with up to 100 beds in active service, may jointly apply to the commissioner of health for a waiver of Minnesota Rules, part 4658.0500, subpart 2, in order to jointly employ a director of nursing. The commissioner of health shall consider each waiver request independently based on the criteria under Minnesota Rules, part 4658.0040;~~

~~(4) the minimum threshold under section 256B.431, subdivision 15, paragraph (e), shall be 40 percent of the amount that would otherwise apply; and~~

~~(5) the quality-based rate limits under section 256R.23, subdivisions 5 to 7, apply to designated critical access nursing facilities.~~

(d) Designation of a critical access nursing facility is for a maximum period of up to two years, after which the ~~benefits~~ benefit allowed under paragraph (c) shall be removed. Designated facilities may apply for continued designation.

~~(e) This section is suspended and no state or federal funding shall be appropriated or allocated for the purposes of this section from January 1, 2016, to December 31, 2019.~~

(e) The memorandum of understanding required by paragraph (c) must state that the designation of a critical access nursing facility must be removed if the facility undergoes a change of ownership as defined in section 144A.06, subdivision 2.

EFFECTIVE DATE. This section is effective July 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 11. Minnesota Statutes 2022, section 256R.53, is amended by adding a subdivision to read:

Subd. 3. **Nursing facility in Red Wing.** (a) The operating payment rate for a facility located in the city of Red Wing at 1412 West 4th Street is the sum of its direct care costs per standardized day, its other care-related costs per resident day, and its other operating costs per day.

(b) This subdivision expires June 30, 2025.

EFFECTIVE DATE. This section is effective July 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 12. **[256R.55] FINANCIALLY DISTRESSED NURSING FACILITY LOAN PROGRAM.**

Subdivision 1. **Financially distressed nursing facility loans.** The commissioner of human services shall establish a competitive financially distressed nursing facility loan program to provide operating loans to eligible nursing facilities. The commissioner shall initiate the application process for the loan described in this section at least once annually. A second application process may be initiated each year at the discretion of the commissioner.

Subd. 2. **Eligibility.** To be an eligible applicant for a loan under this section, a nursing facility must submit to the commissioner of human services a loan application in the form and according to the timelines established by the commissioner. In its loan application, a loan applicant must demonstrate that:

(1) the total net income of the nursing facility is not generating sufficient revenue to cover the nursing facility's operating expenses;

(2) the nursing facility is at risk of closure; and

(3) additional operating revenue is necessary to either preserve access to nursing facility services within the community or support people with complex, high-acuity support needs.

Subd. 3. **Approving loans.** The commissioner must evaluate all loan applications on a competitive basis and award loans to successful applicants within available appropriations for this purpose. The commissioner's decisions are final and not subject to appeal.

Subd. 4. **Disbursement schedule.** Successful loan applicants under this section may receive loan disbursements as a lump sum, on an agreed upon disbursement schedule, or as a time-limited line of credit. The commissioner shall approve disbursements to successful loan applicants through a memorandum of understanding. Memoranda of understanding must specify the amount and schedule of loan disbursements.

Subd. 5. **Loan administration.** The commissioner may contract with an independent third party to administer the loan program under this section.

Subd. 6. **Loan payments.** The commissioner shall negotiate the terms of the loan repayment, including the start of the repayment plan, the due date of the repayment, and the frequency of the repayment installments. Repayment installments must not begin until at least 18 months after the first disbursement date. The memoranda of understanding must specify the amount and schedule of loan payments. The repayment term must not exceed 72 months. If any loan payment to the commissioner is not paid within the time specified by the memoranda of understanding, the late payment must be assessed a penalty rate of 0.01 percent of the original loan amount each month the payment is past due. This late fee is not an allowable cost on the department's cost report. The commissioner shall have the power to abate penalties when discrepancies occur resulting from but not limited to circumstances of error and mail delivery.

Subd. 7. **Loan repayment.** (a) If a borrower is more than 60 calendar days delinquent in the timely payment of a contractual payment under this section, the provisions in paragraphs (b) to (e) apply.

(b) The commissioner may withhold some or all of the amount of the delinquent loan payment, together with any penalties due and owing on those amounts, from any money the department owes to the borrower. The commissioner may, at the commissioner's discretion, also withhold future contractual payments from any money the commissioner owes the provider as those contractual payments become due and owing. The commissioner may continue this withholding until the commissioner determines there is no longer any need to do so.

(c) The commissioner shall give prior notice of the commissioner's intention to withhold by mail, facsimile, or email at least ten business days before the date of the first payment period for which the withholding begins. The notice must be deemed received as of the date of mailing or receipt of the facsimile or electronic notice. The notice must:

(1) state the amount of the delinquent contractual payment;

(2) state the amount of the withholding per payment period;

(3) state the date on which the withholding is to begin;

(4) state whether the commissioner intends to withhold future installments of the provider's contractual payments; and

(5) state other contents as the commissioner deems appropriate.

(d) The commissioner, or the commissioner's designee, may enter into written settlement agreements with a provider to resolve disputes and other matters involving unpaid loan contractual payments or future loan contractual payments.

(e) Notwithstanding any law to the contrary, all unpaid loans, plus any accrued penalties, are overpayments for the purposes of section 256B.0641, subdivision 1. The current owner of a nursing home or boarding care home is liable for the overpayment amount owed by a former owner for any facility sold, transferred, or reorganized.

Subd. 8. **Audit.** Loan money allocated under this section are subject to audit to determine whether the money was spent as authorized under this section.

Subd. 9. **Carryforward.** Notwithstanding section 16A.28, subdivision 3, any appropriation for the purposes under this section carry forward and do not lapse until the close of the fiscal year in which this section expires.

Subd. 10. **Expiration.** This section expires June 30, 2029.

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

Sec. 13. Minnesota Statutes 2022, section 256S.15, subdivision 2, is amended to read:

Subd. 2. **Foster care limit.** The elderly waiver payment for the foster care service in combination with the payment for all other elderly waiver services, including case management, must not exceed the monthly case mix budget cap for the participant as specified in sections 256S.18, subdivision 3, and 256S.19, ~~subdivisions~~ subdivision 3 and 4.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when approval is obtained.

Sec. 14. Minnesota Statutes 2022, section 256S.18, is amended by adding a subdivision to read:

Subd. 3a. **Monthly case mix budget caps for consumer-directed community supports.** The monthly case mix budget caps for each case mix classification for consumer-directed community supports must be equal to the monthly case mix budget caps in subdivision 3.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when approval is obtained.

Sec. 15. Minnesota Statutes 2022, section 256S.19, subdivision 3, is amended to read:

Subd. 3. **Calculation of monthly conversion budget cap ~~without consumer-directed community supports caps.~~** (a) The elderly waiver monthly conversion budget cap for the cost of elderly waiver services ~~without consumer-directed community supports~~ must be based on the nursing facility case mix adjusted total payment rate of the nursing facility where the elderly waiver applicant currently resides for the applicant's case mix classification as determined according to section 256R.17.

(b) The elderly waiver monthly conversion budget cap for the cost of elderly waiver services ~~without consumer-directed community supports shall~~ must be calculated by multiplying the applicable nursing facility case mix adjusted total payment rate by 365, dividing by 12, and subtracting the participant's maintenance needs allowance.

(c) A participant's initially approved monthly conversion budget cap for elderly waiver services ~~without consumer-directed community supports shall~~ must be adjusted at least annually as described in section 256S.18, subdivision 5.

(d) Conversion budget caps for individuals participating in consumer-directed community supports must be set as described in paragraphs (a) to (c).

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when approval is obtained.

Sec. 16. Minnesota Statutes 2022, section 256S.21, is amended to read:

256S.21 RATE SETTING; APPLICATION; EVALUATION.

Subdivision 1. **Application of rate setting.** The payment rate methodologies in sections 256S.2101 to 256S.215 apply to:

(1) elderly waiver, elderly waiver customized living, and elderly waiver foster care under this chapter;

(2) alternative care under section 256B.0913;

(3) essential community supports under section 256B.0922; and

(4) community access for disability inclusion customized living and brain injury customized living under section 256B.49.

Subd. 2. **Evaluation of rate setting.** (a) Beginning January 1, 2024, and every two years thereafter, the commissioner, in consultation with stakeholders, shall use all available data and resources to evaluate the following rate setting elements:

(1) the base wage index;

(2) the factors and supervision wage components; and

(3) the formulas to calculate adjusted base wages and rates.

(b) Beginning January 15, 2026, and every two years thereafter, the commissioner shall report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health and human services finance and policy with a full report on the information and data gathered under paragraph (a).

Subd. 3. **Cost reporting.** (a) As determined by the commissioner, in consultation with stakeholders, a provider enrolled to provide services with rates determined under this chapter must submit requested cost data to the commissioner to support evaluation of the rate methodologies in this chapter. Requested cost data may include but are not limited to:

(1) worker wage costs;

(2) benefits paid;

(3) supervisor wage costs;

(4) executive wage costs;

(5) vacation, sick, and training time paid;

(6) taxes, workers' compensation, and unemployment insurance costs paid;

(7) administrative costs paid;

(8) program costs paid;

(9) transportation costs paid;

(10) vacancy rates; and

(11) other data relating to costs required to provide services requested by the commissioner.

(b) At least once in any five-year period, a provider must submit cost data for a fiscal year that ended not more than 18 months prior to the submission date. The commissioner shall provide each provider a 90-day notice prior to the provider's submission due date. If by 30 days after the required submission date a provider fails to submit required reporting data, the commissioner shall provide notice to the provider, and if by 60 days after the required submission date a provider has not provided the required data, the commissioner shall provide a second notice. The commissioner shall temporarily suspend payments to the provider if cost data is not received 90 days after the required submission date. Withheld payments must be made once data is received by the commissioner.

(c) The commissioner shall coordinate the cost reporting activities required under this section with the cost reporting activities directed under section 256B.4914, subdivision 10a.

(d) The commissioner shall analyze cost documentation in paragraph (a) and, in consultation with stakeholders, may submit recommendations on rate methodologies in this chapter, including ways to monitor and enforce the spending requirements directed in section 256S.2101, subdivision 3, through the reports directed by subdivision 2.

EFFECTIVE DATE. Subdivisions 1 and 2 are effective January 1, 2024, or upon federal approval, whichever is later. Subdivision 3 is effective January 1, 2025. The commissioner of human services shall notify the revisor of statutes when approval is obtained.

Sec. 17. Minnesota Statutes 2022, section 256S.211, is amended to read:

256S.211 RATE SETTING; ~~RATE ESTABLISHMENT~~ UPDATING RATES; SPENDING REQUIREMENTS.

Subdivision 1. **Establishing base wages.** When establishing and updating the base wages according to section 256S.212, the commissioner shall use standard occupational classification (SOC) codes from the Bureau of Labor Statistics as defined in the edition of the Occupational Handbook published immediately prior to January 1, 2019, using Minnesota-specific wages taken from job descriptions.

Subd. 2. **Establishing Updating rates.** ~~By January 1 of each year,~~ On January 1, 2024, the commissioner shall ~~establish factors,~~ update component rates, and rates according to sections ~~256S.213 and 256S.212 to 256S.215,~~ using base wages established according to section 256S.212 the data referenced in subdivision 1.

Subd. 3. **Updating home-delivered meals rate.** On January 1 of each year, the commissioner must update the home-delivered meals rate in section 256S.215, subdivision 15, by the percent increase in the nursing facility dietary per diem using the two most recently available nursing facility cost reports.

Subd. 4. **Spending requirements.** (a) Except for community access for disability inclusion customized living and brain injury customized living under section 256B.49, home-delivered meals, and designated disproportionate share facilities under section 256S.205, at least 80 percent of the marginal increase in revenue from the implementation of any rate adjustments under this section must be used to increase compensation-related costs for employees directly employed by the provider.

(b) For the purposes of this subdivision, compensation-related costs include:

(1) wages and salaries;

(2) the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, and mileage reimbursement;

(3) the employer's paid share of health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, pensions, and contributions to employee retirement accounts; and

(4) benefits that address direct support professional workforce needs above and beyond what employees were offered prior to the implementation of any rate adjustments under this section, including any concurrent or subsequent adjustments to the base wage indices.

(c) Compensation-related costs for persons employed in the central office of a corporation or entity that has an ownership interest in the provider or exercises control over the provider, or for persons paid by the provider under a management contract, do not count toward the 80 percent requirement under this subdivision.

(d) A provider agency or individual provider that receives additional revenue subject to the requirements of this subdivision shall prepare, and upon request submit to the commissioner, a distribution plan that specifies the amount of money the provider expects to receive that is subject to the requirements of this subdivision, including how that money was or will be distributed to increase compensation-related costs for employees. Within 60 days of final implementation of the new phase-in proportion or adjustment to the base wage indices subject to the requirements of this subdivision, the provider must post the distribution plan and leave it posted for a period of at least six months in an area of the provider's operation to which all employees have access. The posted distribution plan must include instructions regarding how to contact the commissioner, or the commissioner's representative, if an employee has not received the compensation-related increase described in the plan.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later, except that subdivision 3 is effective July 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 18. Minnesota Statutes 2022, section 256S.212, is amended to read:

256S.212 RATE SETTING; BASE WAGE INDEX.

Subdivision 1. **Updating SOC codes.** If any of the SOC codes and positions used in this section are no longer available, the commissioner shall, in consultation with stakeholders, select a new SOC code and position that is the closest match to the previously used SOC position.

Subd. 2. **Home management and support services base wage.** For customized living, and foster care, ~~and residential care~~ component services, the home management and support services base wage equals 33.33 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health and personal and home care aide (SOC code 39-9021 31-1120); 33.33 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for food preparation

workers (SOC code 35-2021); and 33.34 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012).

Subd. 3. **Home care aide base wage.** For customized living; and foster care; ~~and residential care~~ component services, the home care aide base wage equals ~~50~~ 75 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health and personal care aides (SOC code ~~31-1014~~ 31-1120); and ~~50~~ 25 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code ~~31-1014~~ 31-1131).

Subd. 4. **Home health aide base wage.** For customized living; and foster care; ~~and residential care~~ component services, the home health aide base wage equals ~~20~~ 33.33 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for licensed practical and licensed vocational nurses (SOC code 29-2061); ~~and 80~~ 33.33 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code ~~31-1014~~ 31-1131); and 33.34 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health and personal care aides (SOC code 31-1120).

Subd. 5. **Medication setups by licensed nurse base wage.** For customized living; and foster care; ~~and residential care~~ component services, the medication setups by licensed nurse base wage equals ~~ten~~ 25 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for licensed practical and licensed vocational nurses (SOC code 29-2061); and ~~90~~ 75 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for registered nurses (SOC code 29-1141).

Subd. 6. **Chore services base wage.** The chore services base wage equals ~~400~~ 50 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for landscaping and groundskeeping workers (SOC code 37-3011); and 50 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012).

Subd. 7. **Companion services base wage.** The companion services base wage equals ~~50~~ 80 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health and personal ~~and home~~ care aides (SOC code ~~39-9021~~ 31-1120); and ~~50~~ 20 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012).

Subd. 8. **Homemaker services and assistance with personal care base wage.** The homemaker ~~services and~~ assistance with personal care base wage equals ~~60~~ 50 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health and personal ~~and home~~ care aides (SOC code ~~39-9021~~ 31-1120); ~~20~~ and 50 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code ~~31-1014~~ 31-1131); ~~and 20 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012).~~

Subd. 9. **Homemaker services and cleaning base wage.** The homemaker ~~services and~~ cleaning base wage equals ~~60~~ percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for personal and home care aide (SOC code ~~39-9021~~); ~~20~~ percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code ~~31-1014~~);

~~and 20~~ 100 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012).

Subd. 10. **Homemaker services and home management base wage.** The homemaker services ~~and~~ home management base wage equals ~~60~~ 50 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health and personal care aides (SOC code ~~39-9021~~ 31-1120); ~~20~~ and 50 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code ~~31-1014~~ 31-1131); ~~and 20 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012).~~

Subd. 11. **In-home respite care services base wage.** The in-home respite care services base wage equals ~~five~~ 15 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for registered nurses (SOC code 29-1141); 75 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants home health and personal care aides (SOC code ~~31-1014~~ 31-1120); and ~~20~~ ten percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for licensed practical and licensed vocational nurses (SOC code 29-2061).

Subd. 12. **Out-of-home respite care services base wage.** The out-of-home respite care services base wage equals ~~five~~ 15 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for registered nurses (SOC code 29-1141); 75 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants home health and personal care aides (SOC code ~~31-1014~~ 31-1120); and ~~20~~ ten percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for licensed practical and licensed vocational nurses (SOC code 29-2061).

Subd. 13. **Individual community living support base wage.** The individual community living support base wage equals ~~20~~ 60 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for licensed practical and licensed vocational nurses social and human services assistants (SOC code ~~29-2061~~ 21-1093); and ~~80~~ 40 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code ~~31-1014~~ 31-1131).

Subd. 14. **Registered nurse base wage.** The registered nurse base wage equals 100 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for registered nurses (SOC code 29-1141).

Subd. 15. **~~Social worker~~ Unlicensed supervisor base wage.** The ~~social worker~~ unlicensed supervisor base wage equals 100 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for medical and public health social first-line supervisors of personal service workers (SOC code ~~21-1022~~ 39-1022).

Subd. 16. **Adult day services base wage.** The adult day services base wage equals 75 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health and personal care aides (SOC code 31-1120); and 25 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code 31-1131).

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when approval is obtained.

Sec. 19. Minnesota Statutes 2022, section 256S.213, is amended to read:

256S.213 RATE SETTING; FACTORS.

Subdivision 1. **Payroll taxes and benefits factor.** The payroll taxes and benefits factor is the sum of net payroll taxes and benefits, divided by the sum of all salaries for all nursing facilities on the most recent and available cost report.

Subd. 2. **General and administrative factor.** The general and administrative factor is ~~the difference of net general and administrative expenses and administrative salaries, divided by total operating expenses for all nursing facilities on the most recent and available cost report~~ 14.4 percent.

Subd. 3. **Program plan support factor.** (a) ~~The program plan support factor is 12.8~~ ten percent for the following services to cover the cost of direct service staff needed to provide support for ~~home and community-based~~ the service when not engaged in direct contact with participants-:

- (1) adult day services;
- (2) customized living; and
- (3) foster care.

(b) The program plan support factor is 15.5 percent for the following services to cover the cost of direct service staff needed to provide support for the service when not engaged in direct contact with participants:

- (1) chore services;
- (2) companion services;
- (3) homemaker assistance with personal care;
- (4) homemaker cleaning;
- (5) homemaker home management;
- (6) in-home respite care;
- (7) individual community living support; and
- (8) out-of-home respite care.

Subd. 4. **Registered nurse management and supervision factor** ~~factor~~ wage component. The registered nurse management and supervision ~~factor~~ wage component equals 15 percent of the registered nurse adjusted base wage as defined in section 256S.214.

Subd. 5. ~~Social worker~~ **Unlicensed supervisor supervision factor** ~~factor~~ wage component. The ~~social worker~~ unlicensed supervisor supervision ~~factor~~ wage component equals 15 percent of the ~~social worker~~ unlicensed supervisor adjusted base wage as defined in section 256S.214.

Subd. 6. **Facility and equipment factor.** The facility and equipment factor for adult day services is 16.2 percent.

Subd. 7. **Food, supplies, and transportation factor.** The food, supplies, and transportation factor for adult day services is 24 percent.

Subd. 8. **Supplies and transportation factor.** The supplies and transportation factor for the following services is 1.56 percent:

- (1) chore services;
- (2) companion services;
- (3) homemaker assistance with personal care;
- (4) homemaker cleaning;
- (5) homemaker home management;
- (6) in-home respite care;
- (7) individual community support services; and
- (8) out-of-home respite care.

Subd. 9. **Absence factor.** The absence factor for the following services is 4.5 percent:

- (1) adult day services;
- (2) chore services;
- (3) companion services;
- (4) homemaker assistance with personal care;
- (5) homemaker cleaning;
- (6) homemaker home management;
- (7) in-home respite care;
- (8) individual community living support; and
- (9) out-of-home respite care.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when approval is obtained.

Sec. 20. Minnesota Statutes 2022, section 256S.214, is amended to read:

256S.214 RATE SETTING; ADJUSTED BASE WAGE.

(a) For the purposes of section 256S.215, the adjusted base wage for each position equals the position's base wage under section 256S.212 plus:

(1) the position's base wage multiplied by the payroll taxes and benefits factor under section 256S.213, subdivision 1;

~~(2) the position's base wage multiplied by the general and administrative factor under section 256S.213, subdivision 2; and~~

~~(3) (2) the position's base wage multiplied by the applicable program plan support factor under section 256S.213, subdivision 3; and~~

(3) the position's base wage multiplied by the absence factor under section 256S.213, subdivision 9, if applicable.

(b) If the base wage described in paragraph (a) is below \$16.68, the base wage must equal \$16.68.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when approval is obtained.

Sec. 21. Minnesota Statutes 2022, section 256S.215, subdivision 2, is amended to read:

Subd. 2. **Home management and support services component rate.** The component rate for home management and support services is calculated as follows:

(1) sum the home management and support services adjusted base wage ~~plus~~ and the registered nurse management and supervision ~~factor~~ wage component;

(2) multiply the result of clause (1) by the general and administrative factor; and

(3) sum the results of clauses (1) and (2).

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when approval is obtained.

Sec. 22. Minnesota Statutes 2022, section 256S.215, subdivision 3, is amended to read:

Subd. 3. **Home care aide services component rate.** The component rate for home care aide services is calculated as follows:

(1) sum the home health aide services adjusted base wage ~~plus~~ and the registered nurse management and supervision ~~factor~~ wage component;

(2) multiply the result of clause (1) by the general and administrative factor; and

(3) sum the results of clauses (1) and (2).

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when approval is obtained.

Sec. 23. Minnesota Statutes 2022, section 256S.215, subdivision 4, is amended to read:

Subd. 4. **Home health aide services component rate.** The component rate for home health aide services is calculated as follows:

(1) sum the home health aide services adjusted base wage ~~plus~~ and the registered nurse management and supervision ~~factor~~ wage component;

(2) multiply the result of clause (1) by the general and administrative factor; and

(3) sum the results of clauses (1) and (2).

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when approval is obtained.

Sec. 24. Minnesota Statutes 2022, section 256S.215, subdivision 7, is amended to read:

Subd. 7. **Chore services rate.** The 15-minute unit rate for chore services is calculated as follows:

(1) sum the chore services adjusted base wage and the ~~social worker~~ unlicensed supervisor supervision ~~factor~~ wage component; and

(2) multiply the result of clause (1) by the general and administrative factor;

(3) multiply the result of clause (1) by the supplies and transportation factor; and

(4) sum the results of clauses (1) to (3) and divide the result ~~of clause (1)~~ by four.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when approval is obtained.

Sec. 25. Minnesota Statutes 2022, section 256S.215, subdivision 8, is amended to read:

Subd. 8. **Companion services rate.** The 15-minute unit rate for companion services is calculated as follows:

(1) sum the companion services adjusted base wage and the ~~social worker~~ unlicensed supervisor supervision ~~factor~~ wage component; and

(2) multiply the result of clause (1) by the general and administrative factor;

(3) multiply the result of clause (1) by the supplies and transportation factor; and

(4) sum the results of clauses (1) to (3) and divide the result ~~of clause (1)~~ by four.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when approval is obtained.

Sec. 26. Minnesota Statutes 2022, section 256S.215, subdivision 9, is amended to read:

Subd. 9. **Homemaker services and assistance with personal care rate.** The 15-minute unit rate for homemaker ~~services and~~ assistance with personal care is calculated as follows:

(1) sum the homemaker ~~services and~~ assistance with personal care adjusted base wage and the ~~registered nurse management and unlicensed supervisor supervision factor~~ wage component; and

(2) multiply the result of clause (1) by the general and administrative factor;

(3) multiply the result of clause (1) by the supplies and transportation factor; and

(4) sum the results of clauses (1) to (3) and divide the result ~~of clause (1)~~ by four.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when approval is obtained.

Sec. 27. Minnesota Statutes 2022, section 256S.215, subdivision 10, is amended to read:

Subd. 10. **Homemaker services and cleaning rate.** The 15-minute unit rate for homemaker ~~services and~~ cleaning is calculated as follows:

(1) sum the homemaker ~~services and~~ cleaning adjusted base wage and the ~~registered nurse management and unlicensed supervisor supervision factor~~ wage component; and

(2) multiply the result of clause (1) by the general and administrative factor;

(3) multiply the result of clause (1) by the supplies and transportation factor; and

(4) sum the results of clauses (1) to (3) and divide the result ~~of clause (1)~~ by four.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when approval is obtained.

Sec. 28. Minnesota Statutes 2022, section 256S.215, subdivision 11, is amended to read:

Subd. 11. **Homemaker services and home management rate.** The 15-minute unit rate for homemaker ~~services and~~ home management is calculated as follows:

(1) sum the homemaker ~~services and~~ home management adjusted base wage and the ~~registered nurse management and unlicensed supervisor supervision factor~~ wage component; and

(2) multiply the result of clause (1) by the general and administrative factor;

(3) multiply the result of clause (1) by the supplies and transportation factor; and

(4) sum the results of clauses (1) to (3) and divide the result of clause (4) by four.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when approval is obtained.

Sec. 29. Minnesota Statutes 2022, section 256S.215, subdivision 12, is amended to read:

Subd. 12. **In-home respite care services rates.** (a) The 15-minute unit rate for in-home respite care services is calculated as follows:

(1) sum the in-home respite care services adjusted base wage and the registered nurse management and supervision ~~factor~~ wage component; and

(2) multiply the result of clause (1) by the general and administrative factor;

(3) multiply the result of clause (1) by the supplies and transportation factor; and

(4) sum the results of clauses (1) to (3) and divide the result of clause (4) by four.

(b) The in-home respite care services daily rate equals the in-home respite care services 15-minute unit rate multiplied by 18.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when approval is obtained.

Sec. 30. Minnesota Statutes 2022, section 256S.215, subdivision 13, is amended to read:

Subd. 13. **Out-of-home respite care services rates.** (a) The 15-minute unit rate for out-of-home respite care is calculated as follows:

(1) sum the out-of-home respite care services adjusted base wage and the registered nurse management and supervision ~~factor~~ wage component; and

(2) multiply the result of clause (1) by the general and administrative factor;

(3) multiply the result of clause (1) by the supplies and transportation factor; and

(4) sum the results of clauses (1) to (3) and divide the result of clause (4) by four.

(b) The out-of-home respite care services daily rate equals the 15-minute unit rate for out-of-home respite care services multiplied by 18.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when approval is obtained.

Sec. 31. Minnesota Statutes 2022, section 256S.215, subdivision 14, is amended to read:

Subd. 14. **Individual community living support rate.** The individual community living support rate is calculated as follows:

(1) ~~sum the home care aide individual community living support adjusted base wage and the social worker registered nurse management and supervision factor wage component; and~~

(2) multiply the result of clause (1) by the general and administrative factor;

(3) multiply the result of clause (1) by the supplies and transportation factor; and

(4) sum the results of clauses (1) to (3) and divide the result of clause (1) by four.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when approval is obtained.

Sec. 32. Minnesota Statutes 2022, section 256S.215, subdivision 15, is amended to read:

Subd. 15. **Home-delivered meals rate.** Effective January 1, 2024, the home-delivered meals rate ~~equals \$9.30~~ is \$8.17, updated as directed in section 256S.211, subdivision 3. ~~The commissioner shall increase the home-delivered meals rate every July 1 by the percent increase in the nursing facility dietary per diem using the two most recent and available nursing facility cost reports.~~

EFFECTIVE DATE. This section is effective July 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when approval is obtained.

Sec. 33. Minnesota Statutes 2022, section 256S.215, subdivision 16, is amended to read:

Subd. 16. **Adult day services rate.** The 15-minute unit rate for adult day services, ~~with an assumed staffing ratio of one staff person to four participants, is the sum of~~ is calculated as follows:

(1) ~~one-sixteenth of the home care aide~~ divide the adult day services adjusted base wage, except that the general and administrative factor used to determine the home care aide services adjusted base wage is 20 percent by five to reflect an assumed staffing ratio of one to five;

(2) ~~one-fourth of the registered nurse management and supervision factor~~ sum the result of clause (1) and the registered nurse management and supervision wage component; and

(3) ~~\$0.63 to cover the cost of meals.~~ multiply the result of clause (2) by the general and administrative factor;

(4) multiply the result of clause (2) by the facility and equipment factor;

(5) multiply the result of clause (2) by the food, supplies, and transportation factor; and

(6) sum the results of clauses (2) to (5) and divide the result by four.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when approval is obtained.

Sec. 34. Minnesota Statutes 2022, section 256S.215, subdivision 17, is amended to read:

Subd. 17. **Adult day services bath rate.** The 15-minute unit rate for adult day services bath is ~~the sum of~~ calculated as follows:

(1) ~~one-fourth of the home care aide sum the adult day services adjusted base wage, except that the general and administrative factor used to determine the home care aide services adjusted base wage is 20 percent~~ and the nurse management and supervision wage component;

(2) ~~one-fourth of the registered nurse management and supervision~~ multiply the result of clause (1) by the general and administrative factor; and

(3) ~~\$0.63 to cover the cost of meals;~~ multiply the result of clause (1) by the facility and equipment factor;

(4) multiply the result of clause (1) by the food, supplies, and transportation factor; and

(5) sum the results of clauses (1) to (4) and divide the result by four.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when approval is obtained.

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

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

The Governor's Council on an Age-Friendly Minnesota, established in Executive Order 19-38, shall: (1) work to advance age-friendly policies; and (2) coordinate state, local, and private partners' collaborative work on emergency preparedness, with a focus on older adults, communities, and persons in zip codes most impacted by the COVID-19 pandemic. The Governor's Council on an Age-Friendly Minnesota is extended and expires June 30, ~~2024~~ 2027.

Sec. 36. Laws 2021, First Special Session chapter 7, article 17, section 8, is amended to read:

Sec. 8. AGE-FRIENDLY MINNESOTA.

Subdivision 1. **Age-friendly community grants.** (a) This act includes \$0 in fiscal year 2022 and \$875,000 in fiscal year 2023 for age-friendly community grants. The commissioner of human services, in collaboration with the Minnesota Board on Aging and the Governor's Council on an Age-Friendly Minnesota, established in Executive Order 19-38, shall develop the age-friendly community grant program to help communities, including cities, counties, other municipalities, Tribes, and collaborative efforts, to become age-friendly communities, with an emphasis on structures, services, and community features necessary to support older adult residents over the next decade, including but not limited to:

- (1) coordination of health and social services;
- (2) transportation access;
- (3) safe, affordable places to live;
- (4) reducing social isolation and improving wellness;
- (5) combating ageism and racism against older adults;
- (6) accessible outdoor space and buildings;
- (7) communication and information technology access; and
- (8) opportunities to stay engaged and economically productive.

The general fund base in this act for this purpose is \$875,000 in fiscal year 2024 and \$0 in fiscal year 2025.

- (b) All grant activities must be completed by March 31, ~~2024~~ 2027.
- (c) This subdivision expires June 30, ~~2024~~ 2027.

Subd. 2. **Technical assistance grants.** (a) This act includes \$0 in fiscal year 2022 and \$575,000 in fiscal year 2023 for technical assistance grants. The commissioner of human services, in collaboration with the Minnesota Board on Aging and the Governor's Council on an Age-Friendly Minnesota, established in Executive Order 19-38, shall develop the age-friendly technical assistance grant program. The general fund base in this act for this purpose is \$575,000 in fiscal year 2024 and \$0 in fiscal year 2025.

- (b) All grant activities must be completed by March 31, ~~2024~~ 2027.
- (c) This subdivision expires June 30, ~~2024~~ 2027.

Sec. 37. DIRECTION TO COMMISSIONER; FUTURE PACE IMPLEMENTATION FUNDING.

(a) The commissioner of human services shall work collaboratively with stakeholders to undertake an actuarial analysis of Medicaid costs for nursing home eligible beneficiaries for the purposes of establishing a monthly Medicaid capitation rate for the program of all-inclusive care for the elderly (PACE). The analysis must include all sources of state Medicaid expenditures for nursing home eligible beneficiaries, including but not limited to capitation payments to plans and additional state expenditures to skilled nursing facilities consistent with Code of Federal Regulations, chapter 42, part 447, and long-term care costs.

(b) The commissioner shall also estimate the administrative costs associated with implementing and monitoring PACE.

(c) The commissioner shall provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over health care finance on the actuarial analysis, proposed

capitation rate, and estimated administrative costs by March 1, 2024. The commissioner shall recommend a financing mechanism and administrative framework by September 1, 2024.

(d) By September 1, 2024, the commissioner shall inform the chairs and ranking minority members of the legislative committees with jurisdiction over health care finance on the commissioner's progress toward developing a recommended financing mechanism. For purposes of this section, the commissioner may issue or extend a request for proposal to an outside vendor.

Sec. 38. DIRECTION TO COMMISSIONER; CAREGIVER RESPITE SERVICES GRANTS.

Beginning in fiscal year 2025, the commissioner of human services must continue the respite services for older adults grant program established under Laws 2021, First Special Session chapter 7, article 17, section 17, subdivision 3, under the authority granted under Minnesota Statutes, section 256.9756. The commissioner may begin the grant application process for awarding grants under Minnesota Statutes, section 256.9756, during fiscal year 2024 in order to facilitate the continuity of the grant program during the transition from a temporary program to a permanent one.

Sec. 39. DIRECTION TO COMMISSIONERS; SMALL PROVIDER REGULATORY RELIEF.

The commissioners of human services and health must consult with assisted living facility license holders who provide customized living and whose facilities are smaller than 11 beds to compile a list of regulatory requirements, compliance with which is particularly difficult for small providers. The commissioners must provide the chairs and ranking minority members of the legislative committees with jurisdiction over assisted living licensure and customized living with recommendations, including draft legislation, to reduce the regulatory burden on small providers.

Sec. 40. RATE INCREASE FOR CERTAIN HOME AND COMMUNITY-BASED SERVICES.

The commissioner of human services shall increase payment rates for community living assistance and family caregiver services under Minnesota Statutes, sections 256B.0913 and 256B.0922, and chapter 256S by 14.99 percent from the rates in effect on December 31, 2023.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 41. NURSING FACILITY RATE STUDY.

(a) The commissioner of human services shall contract with an independent organization with subject matter expertise in nursing facility accounting to conduct a study of nursing facility rates that includes:

(1) a review of nursing facility rates of all states bordering Minnesota and the states included in the Centers for Medicare and Medicaid Services Region V;

(2) the data necessary to determine the total net income and the operating margin of a nursing facility;

(3) the data necessary to determine whether a nursing facility can generate sufficient revenue to cover the nursing facility's operating expenses;

(4) the average reimbursement rate per resident day in each state and the data used to compute that rate;

(5) facility-level data on all types of Medicaid payments to nursing facilities, including but not limited to:

(i) supplemental rate add-ons;

(ii) rate components;

(iii) data on the sources of the nonfederal share of spending necessary to determine the net Medicaid payment at the facility level; and

(iv) disclosure of transactions from a related party; and

(6) any other information determined necessary by the commissioner to complete the study.

(b) Upon request, a nursing facility must provide information to the commissioner pertaining to the nursing facility's financial operations.

(c) By January 1, 2025, the commissioner shall submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over human services policy and finance recommending adjustments to the nursing facility rate methodology under Minnesota Statutes, chapter 256R, based on the results of the study in paragraph (a). The commissioner shall consult with the Office of the Legislative Auditor Financial Audit Division and Program Evaluation Division on study design methods.

Sec. 42. REVISOR INSTRUCTION.

The revisor of statutes shall change the headnote in Minnesota Statutes, section 256B.0917, from "HOME AND COMMUNITY-BASED SERVICES FOR OLDER ADULTS" to "ELDERCARE DEVELOPMENT PARTNERSHIPS."

Sec. 43. REPEALER.

(a) Minnesota Statutes 2022, section 256B.0917, subdivisions 1a, 6, 7a, and 13, are repealed.

(b) Minnesota Statutes 2022, sections 256S.19, subdivision 4; and 256S.2101, subdivision 2, are repealed.

EFFECTIVE DATE. Paragraph (a) is effective July 1, 2023. Paragraph (b) is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when approval is obtained.

ARTICLE 3**HEALTH CARE**

Section 1. Minnesota Statutes 2022, section 252.27, subdivision 2a, is amended to read:

Subd. 2a. **Contribution amount.** (a) The natural or adoptive parents of a minor child, not including a child determined eligible for medical assistance without consideration of parental income under the Tax Equity and Fiscal Responsibility Act (TEFRA) option or a child accessing home and community-based waiver services, must contribute to the cost of services used by making monthly payments on a sliding scale based on income, unless the child is married or has been married, parental rights have been terminated, or the child's adoption is subsidized according to chapter 259A or through title IV-E of the Social Security Act. The parental contribution is a partial or full payment for medical services provided for diagnostic, therapeutic, curing, treating, mitigating, rehabilitation, maintenance, and personal care services as defined in United States Code, title 26, section 213, needed by the child with a chronic illness or disability.

(b) For households with adjusted gross income equal to or greater than 275 percent of federal poverty guidelines, the parental contribution shall be computed by applying the following schedule of rates to the adjusted gross income of the natural or adoptive parents:

(1) if the adjusted gross income is equal to or greater than 275 percent of federal poverty guidelines and less than or equal to 545 percent of federal poverty guidelines, the parental contribution shall be determined using a sliding fee scale established by the commissioner of human services which begins at 1.65 percent of adjusted gross income at 275 percent of federal poverty guidelines and increases to 4.5 percent of adjusted gross income for those with adjusted gross income up to 545 percent of federal poverty guidelines;

(2) if the adjusted gross income is greater than 545 percent of federal poverty guidelines and less than 675 percent of federal poverty guidelines, the parental contribution shall be 4.5 percent of adjusted gross income;

(3) if the adjusted gross income is equal to or greater than 675 percent of federal poverty guidelines and less than 975 percent of federal poverty guidelines, the parental contribution shall be determined using a sliding fee scale established by the commissioner of human services which begins at 4.5 percent of adjusted gross income at 675 percent of federal poverty guidelines and increases to 5.99 percent of adjusted gross income for those with adjusted gross income up to 975 percent of federal poverty guidelines; and

(4) if the adjusted gross income is equal to or greater than 975 percent of federal poverty guidelines, the parental contribution shall be 7.49 percent of adjusted gross income.

If the child lives with the parent, the annual adjusted gross income is reduced by \$2,400 prior to calculating the parental contribution. If the child resides in an institution specified in section 256B.35, the parent is responsible for the personal needs allowance specified under that section in addition to the parental contribution determined under this section. The parental contribution is reduced by any amount required to be paid directly to the child pursuant to a court order, but only if actually paid.

(c) The household size to be used in determining the amount of contribution under paragraph (b) includes natural and adoptive parents and their dependents, including the child receiving services. Adjustments in the contribution amount due to annual changes in the federal poverty guidelines shall be implemented on the first day of July following publication of the changes.

(d) For purposes of paragraph (b), "income" means the adjusted gross income of the natural or adoptive parents determined according to the previous year's federal tax form, except, effective retroactive to July 1, 2003, taxable capital gains to the extent the funds have been used to purchase a home shall not be counted as income.

(e) The contribution shall be explained in writing to the parents at the time eligibility for services is being determined. The contribution shall be made on a monthly basis effective with the first month in which the child receives services. Annually upon redetermination or at termination of eligibility, if the contribution exceeded the cost of services provided, the local agency or the state shall reimburse that excess amount to the parents, either by direct reimbursement if the parent is no longer required to pay a contribution, or by a reduction in or waiver of parental fees until the excess amount is exhausted. All reimbursements must include a notice that the amount reimbursed may be taxable income if the parent paid for the parent's fees through an employer's health care flexible spending account under the Internal Revenue Code, section 125, and that the parent is responsible for paying the taxes owed on the amount reimbursed.

(f) The monthly contribution amount must be reviewed at least every 12 months; when there is a change in household size; and when there is a loss of or gain in income from one month to another in excess of ten percent. The local agency shall mail a written notice 30 days in advance of the effective date of a change in the contribution amount. A decrease in the contribution amount is effective in the month that the parent verifies a reduction in income or change in household size.

(g) Parents of a minor child who do not live with each other shall each pay the contribution required under paragraph (a). An amount equal to the annual court-ordered child support payment actually paid on behalf of the child receiving services shall be deducted from the adjusted gross income of the parent making the payment prior to calculating the parental contribution under paragraph (b).

(h) The contribution under paragraph (b) shall be increased by an additional five percent if the local agency determines that insurance coverage is available but not obtained for the child. For purposes of this section, "available" means the insurance is a benefit of employment for a family member at an annual cost of no more than five percent of the family's annual income. For purposes of this section, "insurance" means health and accident insurance coverage, enrollment in a nonprofit health service plan, health maintenance organization, self-insured plan, or preferred provider organization.

Parents who have more than one child receiving services shall not be required to pay more than the amount for the child with the highest expenditures. There shall be no resource contribution from the parents. The parent shall not be required to pay a contribution in excess of the cost of the services provided to the child, not counting payments made to school districts for education-related services. Notice of an increase in fee payment must be given at least 30 days before the increased fee is due.

(i) The contribution under paragraph (b) shall be reduced by \$300 per fiscal year if, in the 12 months prior to July 1:

(1) the parent applied for insurance for the child;

(2) the insurer denied insurance;

(3) the parents submitted a complaint or appeal, in writing to the insurer, submitted a complaint or appeal, in writing, to the commissioner of health or the commissioner of commerce, or litigated the complaint or appeal; and

(4) as a result of the dispute, the insurer reversed its decision and granted insurance.

For purposes of this section, "insurance" has the meaning given in paragraph (h).

A parent who has requested a reduction in the contribution amount under this paragraph shall submit proof in the form and manner prescribed by the commissioner or county agency, including, but not limited to, the insurer's denial of insurance, the written letter or complaint of the parents, court documents, and the written response of the insurer approving insurance. The determinations of the commissioner or county agency under this paragraph are not rules subject to chapter 14.

Sec. 2. Minnesota Statutes 2022, section 256B.04, is amended by adding a subdivision to read:

Subd. 26. Notice of employed persons with disabilities program. At the time of initial enrollment and at least annually thereafter, the commissioner shall provide information on the medical assistance program for employed persons with disabilities under section 256B.057, subdivision 9, to all medical assistance enrollees who indicate they have a disability.

Sec. 3. Minnesota Statutes 2022, section 256B.056, subdivision 3, is amended to read:

Subd. 3. Asset limitations for certain individuals. (a) To be eligible for medical assistance, a person must not individually own more than \$3,000 in assets, or if a member of a household with two family members, husband and wife, or parent and child, the household must not own more than \$6,000 in assets, plus \$200 for each additional legal dependent. In addition to these maximum amounts, an eligible individual or family may accrue interest on these amounts, but they must be reduced to the maximum at the time of an eligibility redetermination. The accumulation of the clothing and personal needs allowance according to section 256B.35 must also be reduced to the maximum at the time of the eligibility redetermination. The value of assets that are not considered in determining eligibility for medical assistance is the value of those assets excluded under the Supplemental Security Income program for aged, blind, and disabled persons, with the following exceptions:

(1) household goods and personal effects are not considered;

(2) capital and operating assets of a trade or business that the local agency determines are necessary to the person's ability to earn an income are not considered;

(3) motor vehicles are excluded to the same extent excluded by the Supplemental Security Income program;

(4) assets designated as burial expenses are excluded to the same extent excluded by the Supplemental Security Income program. Burial expenses funded by annuity contracts or life insurance policies must irrevocably designate the individual's estate as contingent beneficiary to the extent proceeds are not used for payment of selected burial expenses;

(5) for a person who no longer qualifies as an employed person with a disability due to loss of earnings, assets allowed while eligible for medical assistance under section 256B.057, subdivision 9, are not considered for 12 months, beginning with the first month of ineligibility as an employed person with a disability, ~~to the extent that the person's total assets remain within the allowed limits of section 256B.057, subdivision 9, paragraph (d);~~

(6) a designated employment incentives asset account is disregarded when determining eligibility for medical assistance for a person age 65 years or older under section 256B.055, subdivision 7. An employment incentives asset account must only be designated by a person who has been enrolled in medical assistance under section 256B.057, subdivision 9, for a 24-consecutive-month period. A designated employment incentives asset account contains qualified assets owned by the person ~~and the person's spouse~~ in the last month of enrollment in medical assistance under section 256B.057, subdivision 9. Qualified assets include retirement and pension accounts, medical expense accounts, and up to \$17,000 of the person's other nonexcluded liquid assets. An employment incentives asset account is no longer designated when a person loses medical assistance eligibility for a calendar month or more before turning age 65. A person who loses medical assistance eligibility before age 65 can establish a new designated employment incentives asset account by establishing a new 24-consecutive-month period of enrollment under section 256B.057, subdivision 9. ~~The income of a spouse of a person enrolled in medical assistance under section 256B.057, subdivision 9, during each of the 24 consecutive months before the person's 65th birthday must be disregarded when determining eligibility for medical assistance under section 256B.055, subdivision 7.~~ Persons eligible under this clause are not subject to the provisions in section 256B.059; and

(7) effective July 1, 2009, certain assets owned by American Indians are excluded 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.

(b) No asset limit shall apply to persons eligible under ~~section~~ sections 256B.055, subdivision 15, and 256B.057, subdivision 9.

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

Sec. 4. 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; and

(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. 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:

(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, enrollees must verify the medical condition or provide notification of job loss. All other eligibility requirements must be met and the enrollee must 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)~~ (e) 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)~~ (f) 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)~~ (g) 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)~~ (h) 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)~~ (i) 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).

(j) The commissioner is authorized to determine that a premium amount was calculated or billed in error, make corrections to financial records and billing systems, and refund premiums collected in error.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever occurs later, except that paragraph (j) is effective the day following final enactment. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 5. Minnesota Statutes 2022, section 256B.0625, subdivision 17, is amended to read:

Subd. 17. **Transportation costs.** (a) "Nonemergency medical transportation service" means motor vehicle transportation provided by a public or private person that serves Minnesota health care program beneficiaries who do not require emergency ambulance service, as defined in section 144E.001, subdivision 3, to obtain covered medical services.

(b) Medical assistance covers medical transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by eligible persons in obtaining emergency

or nonemergency medical care when paid directly to an ambulance company, nonemergency medical transportation company, or other recognized providers of transportation services. Medical transportation must be provided by:

(1) nonemergency medical transportation providers who meet the requirements of this subdivision;

(2) ambulances, as defined in section 144E.001, subdivision 2;

(3) taxicabs that meet the requirements of this subdivision;

(4) public transit, as defined in section 174.22, subdivision 7; or

(5) not-for-hire vehicles, including volunteer drivers, as defined in section 65B.472, subdivision 1, paragraph (h).

(c) Medical assistance covers nonemergency medical transportation provided by nonemergency medical transportation providers enrolled in the Minnesota health care programs. All nonemergency medical transportation providers must comply with the operating standards for special transportation service as defined in sections 174.29 to 174.30 and Minnesota Rules, chapter 8840, and all drivers must be individually enrolled with the commissioner and reported on the claim as the individual who provided the service. All nonemergency medical transportation providers shall bill for nonemergency medical transportation services in accordance with Minnesota health care programs criteria. Publicly operated transit systems, volunteers, and not-for-hire vehicles are exempt from the requirements outlined in this paragraph.

(d) An organization may be terminated, denied, or suspended from enrollment if:

(1) the provider has not initiated background studies on the individuals specified in section 174.30, subdivision 10, paragraph (a), clauses (1) to (3); or

(2) the provider has initiated background studies on the individuals specified in section 174.30, subdivision 10, paragraph (a), clauses (1) to (3), and:

(i) the commissioner has sent the provider a notice that the individual has been disqualified under section 245C.14; and

(ii) the individual has not received a disqualification set-aside specific to the special transportation services provider under sections 245C.22 and 245C.23.

(e) The administrative agency of nonemergency medical transportation must:

(1) adhere to the policies defined by the commissioner;

(2) pay nonemergency medical transportation providers for services provided to Minnesota health care programs beneficiaries to obtain covered medical services;

(3) provide data monthly to the commissioner on appeals, complaints, no-shows, canceled trips, and number of trips by mode; and

(4) by July 1, 2016, in accordance with subdivision 18e, utilize a web-based single administrative structure assessment tool that meets the technical requirements established by the commissioner, reconciles trip information with claims being submitted by providers, and ensures prompt payment for nonemergency medical transportation services.

(f) Until the commissioner implements the single administrative structure and delivery system under subdivision 18e, clients shall obtain their level-of-service certificate from the commissioner or an entity approved by the commissioner that does not dispatch rides for clients using modes of transportation under paragraph (i), clauses (4), (5), (6), and (7).

(g) The commissioner may use an order by the recipient's attending physician, advanced practice registered nurse, physician assistant, or a medical or mental health professional to certify that the recipient requires nonemergency medical transportation services. Nonemergency medical transportation providers shall perform driver-assisted services for eligible individuals, when appropriate. Driver-assisted service includes passenger pickup at and return to the individual's residence or place of business, assistance with admittance of the individual to the medical facility, and assistance in passenger securement or in securing of wheelchairs, child seats, or stretchers in the vehicle.

Nonemergency medical transportation providers must take clients to the health care provider using the most direct route, and must not exceed 30 miles for a trip to a primary care provider or 60 miles for a trip to a specialty care provider, unless the client receives authorization from the local agency.

Nonemergency medical transportation providers may not bill for separate base rates for the continuation of a trip beyond the original destination. Nonemergency medical transportation providers must maintain trip logs, which include pickup and drop-off times, signed by the medical provider or client, whichever is deemed most appropriate, attesting to mileage traveled to obtain covered medical services. Clients requesting client mileage reimbursement must sign the trip log attesting mileage traveled to obtain covered medical services.

(h) The administrative agency shall use the level of service process established by the commissioner to determine the client's most appropriate mode of transportation. If public transit or a certified transportation provider is not available to provide the appropriate service mode for the client, the client may receive a onetime service upgrade.

(i) The covered modes of transportation are:

(1) client reimbursement, which includes client mileage reimbursement provided to clients who have their own transportation, or to family or an acquaintance who provides transportation to the client;

(2) volunteer transport, which includes transportation by volunteers using their own vehicle;

(3) unassisted transport, which includes transportation provided to a client by a taxicab or public transit. If a taxicab or public transit is not available, the client can receive transportation from another nonemergency medical transportation provider;

(4) assisted transport, which includes transport provided to clients who require assistance by a nonemergency medical transportation provider;

(5) lift-equipped/ramp transport, which includes transport provided to a client who is dependent on a device and requires a nonemergency medical transportation provider with a vehicle containing a lift or ramp;

(6) protected transport, which includes transport provided to a client who has received a prescreening that has deemed other forms of transportation inappropriate and who requires a provider: (i) with a protected vehicle that is not an ambulance or police car and has safety locks, a video recorder, and a transparent thermoplastic partition between the passenger and the vehicle driver; and (ii) who is certified as a protected transport provider; and

(7) stretcher transport, which includes transport for a client in a prone or supine position and requires a nonemergency medical transportation provider with a vehicle that can transport a client in a prone or supine position.

(j) The local agency shall be the single administrative agency and shall administer and reimburse for modes defined in paragraph (i) according to paragraphs (m) and (n) when the commissioner has developed, made available, and funded the web-based single administrative structure, assessment tool, and level of need assessment under subdivision 18e. The local agency's financial obligation is limited to funds provided by the state or federal government.

(k) The commissioner shall:

- (1) verify that the mode and use of nonemergency medical transportation is appropriate;
- (2) verify that the client is going to an approved medical appointment; and
- (3) investigate all complaints and appeals.

(l) The administrative agency shall pay for the services provided in this subdivision and seek reimbursement from the commissioner, if appropriate. As vendors of medical care, local agencies are subject to the provisions in section 256B.041, the sanctions and monetary recovery actions in section 256B.064, and Minnesota Rules, parts 9505.2160 to 9505.2245.

(m) Payments for nonemergency medical transportation must be paid based on the client's assessed mode under paragraph (h), not the type of vehicle used to provide the service. The medical assistance reimbursement rates for nonemergency medical transportation services that are payable by or on behalf of the commissioner for nonemergency medical transportation services are:

- (1) \$0.22 per mile for client reimbursement;
- (2) up to 100 percent of the Internal Revenue Service business deduction rate for volunteer transport;
- (3) equivalent to the standard fare for unassisted transport when provided by public transit, and ~~\$14~~ \$12.10 for the base rate and ~~\$1.30~~ \$1.43 per mile when provided by a nonemergency medical transportation provider;

(4) ~~\$13~~ \$14.30 for the base rate and ~~\$1.30~~ \$1.43 per mile for assisted transport;

(5) ~~\$18~~ \$19.80 for the base rate and ~~\$1.55~~ \$1.70 per mile for lift-equipped/ramp transport;

(6) \$75 for the base rate and \$2.40 per mile for protected transport; and

(7) \$60 for the base rate and \$2.40 per mile for stretcher transport, and \$9 per trip for an additional attendant if deemed medically necessary.

(n) The base rate for nonemergency medical transportation services in areas defined under RUCA to be super rural is equal to 111.3 percent of the respective base rate in paragraph (m), clauses (1) to (7). The mileage rate for nonemergency medical transportation services in areas defined under RUCA to be rural or super rural areas is:

(1) for a trip equal to 17 miles or less, equal to 125 percent of the respective mileage rate in paragraph (m), clauses (1) to (7); and

(2) for a trip between 18 and 50 miles, equal to 112.5 percent of the respective mileage rate in paragraph (m), clauses (1) to (7).

(o) For purposes of reimbursement rates for nonemergency medical transportation services under paragraphs (m) and (n), the zip code of the recipient's place of residence shall determine whether the urban, rural, or super rural reimbursement rate applies.

(p) For purposes of this subdivision, "rural urban commuting area" or "RUCA" means a census-tract based classification system under which a geographical area is determined to be urban, rural, or super rural.

(q) The commissioner, when determining reimbursement rates for nonemergency medical transportation under paragraphs (m) and (n), shall exempt all modes of transportation listed under paragraph (i) from Minnesota Rules, part 9505.0445, item R, subitem (2).

(r) Effective for the first day of each calendar quarter in which the price of gasoline as posted publicly by the United States Energy Information Administration exceeds \$3.00 per gallon, the commissioner shall adjust the rate paid per mile in paragraph (m) by one percent up or down for every increase or decrease of ten cents for the price of gasoline. The increase or decrease must be calculated using a base gasoline price of \$3.00. The percentage increase or decrease must be calculated using the average of the most recently available price of all grades of gasoline for Minnesota as posted publicly by the United States Energy Information Administration.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 6. Minnesota Statutes 2022, section 256B.0625, subdivision 17a, is amended to read:

Subd. 17a. **Payment for ambulance services.** (a) Medical assistance covers ambulance services. Providers shall bill ambulance services according to Medicare criteria. Nonemergency ambulance services shall not be paid as emergencies. Effective for services rendered on or after July 1, 2001,

medical assistance payments for ambulance services shall be paid at the Medicare reimbursement rate or at the medical assistance payment rate in effect on July 1, 2000, whichever is greater.

(b) Effective for services provided on or after July 1, 2016, medical assistance payment rates for ambulance services identified in this paragraph are increased by five percent. Capitation payments made to managed care plans and county-based purchasing plans for ambulance services provided on or after January 1, 2017, shall be increased to reflect this rate increase. The increased rate described in this paragraph applies to ambulance service providers whose base of operations as defined in section 144E.10 is located:

(1) outside the metropolitan counties listed in section 473.121, subdivision 4, and outside the cities of Duluth, Mankato, Moorhead, St. Cloud, and Rochester; or

(2) within a municipality with a population of less than 1,000.

(c) Effective for the first day of each calendar quarter in which the price of gasoline as posted publicly by the United States Energy Information Administration exceeds \$3.00 per gallon, the commissioner shall adjust the rate paid per mile in paragraph (a) by one percent up or down for every increase or decrease of ten cents for the price of gasoline. The increase or decrease must be calculated using a base gasoline price of \$3.00. The percentage increase or decrease must be calculated using the average of the most recently available price of all grades of gasoline for Minnesota as posted publicly by the United States Energy Information Administration.

(d) Managed care plans and county-based purchasing plans must provide a fuel adjustment for ambulance services rates when fuel exceeds \$3 per gallon. If, for any contract year, federal approval is not received for this paragraph, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this provision. Contracts between managed care plans and county-based purchasing plans and providers to whom this paragraph applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this paragraph. This paragraph expires if federal approval is not received for this paragraph at any time.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 7. Minnesota Statutes 2022, section 256B.0625, subdivision 17b, is amended to read:

Subd. 17b. **Documentation required.** (a) As a condition for payment, nonemergency medical transportation providers must document each occurrence of a service provided to a recipient according to this subdivision. Providers must maintain ~~odometer and other~~ records sufficient to distinguish individual trips with specific vehicles and drivers. The documentation may be collected and maintained using electronic systems or software or in paper form but must be made available and produced upon request. Program funds paid for transportation that is not documented according to this subdivision ~~shall be recovered by the department~~ may be subject to recovery by the commissioner pursuant to section 256B.064.

(b) A nonemergency medical transportation provider must compile transportation trip records that are written in English and legible according to the standard of a reasonable person and that meet include each of the following requirements elements:

~~(1) the record must be in English and must be legible according to the standard of a reasonable person;~~

~~(2) (1) the recipient's name must be on each page of the record; and~~

~~(3) each entry in the record must document:~~

~~(i) the date on which the entry is made;~~

~~(ii) (2) the date or dates the service is provided, if different than the date the entry was made;~~

~~(iii) (3) either the printed last name, first name, and middle initial name of the driver sufficient to distinguish the driver of service or the driver's provider number;~~

~~(iv) (4) the date and the signature of the driver attesting to the following: "I certify that I have accurately reported in this record the trip miles I actually drove and the dates and times I actually drove them. I understand that misreporting the miles driven and hours worked is fraud for which I could face criminal prosecution or civil proceedings." that the record accurately represents the services provided and the actual miles driven, and acknowledging that misreporting information that results in ineligible or excessive payments may result in civil or criminal action;~~

~~(v) (5) the date and the signature of the recipient or authorized party attesting to the following: "I certify that I received the reported transportation service.", or the signature of the provider of medical services certifying that the recipient was delivered to the provider that transportation services were provided as indicated on the transportation trip record, or the signature of the medical services provider certifying that the recipient was transported to the medical services provider destination. In the event that both the medical services provider and the recipient or authorized party refuse or are unable to provide signatures, the driver must document on the transportation trip record that signatures were requested and not provided;~~

~~(vi) (6) the address, or the description if the address is not available, of both the origin and destination, and the mileage for the most direct route from the origin to the destination;~~

~~(vii) (7) the name or number of the mode of transportation in which the service is provided;~~

~~(viii) (8) the license plate number of the vehicle used to transport the recipient;~~

~~(ix) whether the service was ambulatory or nonambulatory;~~

~~(x) (9) the time of the recipient pickup;~~

~~and (10) the time of the recipient drop-off with "a.m." and "p.m." designations;~~

~~(11) the odometer reading of the vehicle used to transport the recipient taken at the time of pickup;~~

(12) the odometer reading of the vehicle used to transport the recipient taken at the time of drop-off;

~~(xi)~~ (13) the name of the extra attendant when an extra attendant is used to provide special transportation service; and

~~(xii)~~ (14) the electronic source documentation indicating the method that was used to calculate driving directions and mileage determine the most direct route.

(c) In determining whether the commissioner will seek recovery, the documentation requirements in this section apply retroactively to audit findings beginning January 1, 2020, and to all audit findings thereafter.

Sec. 8. Minnesota Statutes 2022, section 256B.0625, subdivision 18h, is amended to read:

Subd. 18h. **Nonemergency medical transportation provisions related to managed care.** (a) The following nonemergency medical transportation (NEMT) subdivisions apply to managed care plans and county-based purchasing plans:

(1) subdivision 17, paragraphs (a), (b), (i), and (n);

(2) subdivision 18; and

(3) subdivision 18a.

(b) A nonemergency medical transportation provider must comply with the operating standards for special transportation service specified in sections 174.29 to 174.30 and Minnesota Rules, chapter 8840. Publicly operated transit systems, volunteers, and not-for-hire vehicles are exempt from the requirements in this paragraph.

(c) Managed care plans and county-based purchasing plans must provide a fuel adjustment for NEMT rates when fuel exceeds \$3 per gallon. If, for any contract year, federal approval is not received for this paragraph, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this provision. Contracts between managed care plans and county-based purchasing plans and providers to whom this paragraph applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this paragraph. This paragraph expires if federal approval is not received for this paragraph at any time.

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

Sec. 9. Minnesota Statutes 2022, section 256B.0625, subdivision 22, is amended to read:

Subd. 22. **Hospice care.** Medical assistance covers hospice care services under Public Law 99-272, section 9505, to the extent authorized by rule, except that a recipient age 21 or under who elects to receive hospice services does not waive coverage for services that are related to the treatment of the condition for which a diagnosis of terminal illness has been made. Hospice respite and end-of-life care under subdivision 22a are not hospice care services under this subdivision.

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

Sec. 10. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision to read:

Subd. 22a. **Residential hospice facility; hospice respite and end-of-life care for children.** (a) Medical assistance covers hospice respite and end-of-life care if the care is for children who elect to receive hospice care delivered in a facility that is licensed under sections 144A.75 to 144A.755 and that is a residential hospice facility under section 144A.75, subdivision 13, paragraph (a). Hospice care services under subdivision 22 are not hospice respite or end-of-life care under this subdivision.

(b) The payment rates for coverage under this subdivision must be 100 percent of the Medicare rate for continuous home care hospice services as published in the Centers for Medicare and Medicaid Services annual final rule updating payments and policies for hospice care. Payment for hospice respite and end-of-life care under this subdivision must be made from state money, though the commissioner must seek to obtain federal financial participation for the payments. Payment for hospice respite and end-of-life care must be paid to the residential hospice facility and are not included in any limit or cap amount applicable to hospice services payments to the elected hospice services provider.

(c) Certification of the residential hospice facility by the federal Medicare program must not be a requirement of medical assistance payment for hospice respite and end-of-life care under this subdivision.

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

Sec. 11. Minnesota Statutes 2022, section 256B.073, subdivision 3, is amended to read:

Subd. 3. **Requirements.** (a) In developing implementation requirements for electronic visit verification, the commissioner shall ensure that the requirements:

- (1) are minimally administratively and financially burdensome to a provider;
- (2) are minimally burdensome to the service recipient and the least disruptive to the service recipient in receiving and maintaining allowed services;
- (3) consider existing best practices and use of electronic visit verification;
- (4) are conducted according to all state and federal laws;
- (5) are effective methods for preventing fraud when balanced against the requirements of clauses (1) and (2); and
- (6) are consistent with the Department of Human Services' policies related to covered services, flexibility of service use, and quality assurance.

(b) The commissioner shall make training available to providers on the electronic visit verification system requirements.

(c) The commissioner shall establish baseline measurements related to preventing fraud and establish measures to determine the effect of electronic visit verification requirements on program integrity.

(d) The commissioner shall make a state-selected electronic visit verification system available to providers of services.

(e) The commissioner shall make available and publish on the agency website the name and contact information for the vendor of the state-selected electronic visit verification system and the other vendors that offer alternative electronic visit verification systems. The information provided must state that the state-selected electronic visit verification system is offered at no cost to the provider of services and that the provider may choose an alternative system that may be at a cost to the provider.

Sec. 12. Minnesota Statutes 2022, section 256B.073, is amended by adding a subdivision to read:

Subd. 5. **Vendor requirements.** (a) The vendor of the electronic visit verification system selected by the commissioner and the vendor's affiliate must comply with the requirements of this subdivision.

(b) The vendor of the state-selected electronic visit verification system and the vendor's affiliate must:

(1) notify the provider of services that the provider may choose the state-selected electronic visit verification system at no cost to the provider;

(2) offer the state-selected electronic visit verification system to the provider of services prior to offering any fee-based electronic visit verification system;

(3) notify the provider of services that the provider may choose any fee-based electronic visit verification system prior to offering the vendor's or its affiliate's fee-based electronic visit verification system; and

(4) when offering the state-selected electronic visit verification system, clearly differentiate between the state-selected electronic visit verification system and the vendor's or its affiliate's alternative fee-based system.

(c) The vendor of the state-selected electronic visit verification system and the vendor's affiliate must not use state data that are not available to other vendors of electronic visit verification systems to promote or sell the vendor's or its affiliate's alternative electronic visit verification system.

(d) Upon request from the provider, the vendor of the state-selected electronic visit verification system must provide proof of compliance with the requirements of paragraph (b).

(e) An agreement between the vendor of the state-selected electronic visit verification system or its affiliate and a provider of services for an electronic visit verification system that is not the state-selected system entered into on or after July 1, 2023, is subject to immediate termination by the provider if the vendor violates any of the requirements of paragraph (b).

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

Sec. 13. Minnesota Statutes 2022, section 256B.14, subdivision 2, is amended to read:

Subd. 2. **Actions to obtain payment.** The state agency shall promulgate rules to determine the ability of responsible relatives to contribute partial or complete payment or repayment of medical assistance furnished to recipients for whom they are responsible. All medical assistance exclusions shall be allowed, and a resource limit of \$10,000 for nonexcluded resources shall be implemented. Above these limits, a contribution of one-third of the excess resources shall be required. These rules shall not require payment or repayment when payment would cause undue hardship to the responsible relative or that relative's immediate family. These rules ~~shall be consistent with the requirements of section 252.27 for~~ do not apply to parents of children whose eligibility for medical assistance was determined without deeming of the parents' resources and income under the Tax Equity and Fiscal Responsibility Act (TEFRA) option or to parents of children accessing home and community-based waiver services. The county agency shall give the responsible relative notice of the amount of the payment or repayment. If the state agency or county agency finds that notice of the payment obligation was given to the responsible relative, but that the relative failed or refused to pay, a cause of action exists against the responsible relative for that portion of medical assistance granted after notice was given to the responsible relative, which the relative was determined to be able to pay.

The action may be brought by the state agency or the county agency in the county where assistance was granted, for the assistance, together with the costs of disbursements incurred due to the action.

In addition to granting the county or state agency a money judgment, the court may, upon a motion or order to show cause, order continuing contributions by a responsible relative found able to repay the county or state agency. The order shall be effective only for the period of time during which the recipient receives medical assistance from the county or state agency.

Sec. 14. Minnesota Statutes 2022, section 256B.766, is amended to read:

256B.766 REIMBURSEMENT FOR BASIC CARE SERVICES.

(a) Effective for services provided on or after July 1, 2009, total payments for basic care services, shall be reduced by three percent, except that for the period July 1, 2009, through June 30, 2011, total payments shall be reduced by 4.5 percent for the medical assistance and general assistance medical care programs, prior to third-party liability and spenddown calculation. Effective July 1, 2010, the commissioner shall classify physical therapy services, occupational therapy services, and speech-language pathology and related services as basic care services. The reduction in this paragraph shall apply to physical therapy services, occupational therapy services, and speech-language pathology and related services provided on or after July 1, 2010.

(b) Payments made to managed care plans and county-based purchasing plans shall be reduced for services provided on or after October 1, 2009, to reflect the reduction effective July 1, 2009, and payments made to the plans shall be reduced effective October 1, 2010, to reflect the reduction effective July 1, 2010.

(c) Effective for services provided on or after September 1, 2011, through June 30, 2013, total payments for outpatient hospital facility fees shall be reduced by five percent from the rates in effect on August 31, 2011.

(d) Effective for services provided on or after September 1, 2011, through June 30, 2013, total payments for ambulatory surgery centers facility fees, medical supplies and durable medical equipment not subject to a volume purchase contract, prosthetics and orthotics, renal dialysis services, laboratory services, public health nursing services, physical therapy services, occupational therapy services, speech therapy services, eyeglasses not subject to a volume purchase contract, hearing aids not subject to a volume purchase contract, and anesthesia services shall be reduced by three percent from the rates in effect on August 31, 2011.

(e) Effective for services provided on or after September 1, 2014, payments for ambulatory surgery centers facility fees, hospice services, renal dialysis services, laboratory services, public health nursing services, eyeglasses not subject to a volume purchase contract, and hearing aids not subject to a volume purchase contract shall be increased by three percent and payments for outpatient hospital facility fees shall be increased by three percent. Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect payments under this paragraph.

(f) Payments for medical supplies and durable medical equipment not subject to a volume purchase contract, and prosthetics and orthotics, provided on or after July 1, 2014, through June 30, 2015, shall be decreased by .33 percent. Payments for medical supplies and durable medical equipment not subject to a volume purchase contract, and prosthetics and orthotics, provided on or after July 1, 2015, shall be increased by three percent from the rates as determined under paragraphs (i) and (j).

(g) Effective for services provided on or after July 1, 2015, payments for outpatient hospital facility fees, medical supplies and durable medical equipment not subject to a volume purchase contract, prosthetics, and orthotics to a hospital meeting the criteria specified in section 62Q.19, subdivision 1, paragraph (a), clause (4), shall be increased by 90 percent from the rates in effect on June 30, 2015. Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect payments under this paragraph.

(h) This section does not apply to physician and professional services, inpatient hospital services, family planning services, mental health services, dental services, prescription drugs, medical transportation, federally qualified health centers, rural health centers, Indian health services, and Medicare cost-sharing.

(i) Effective for services provided on or after July 1, 2015, the following categories of medical supplies and durable medical equipment shall be individually priced items: ~~enteral nutrition and supplies~~, customized and other specialized tracheostomy tubes and supplies, electric patient lifts, and durable medical equipment repair and service. This paragraph does not apply to medical supplies and durable medical equipment subject to a volume purchase contract, products subject to the preferred diabetic testing supply program, and items provided to dually eligible recipients when Medicare is the primary payer for the item. The commissioner shall not apply any medical assistance rate reductions to durable medical equipment as a result of Medicare competitive bidding.

(j) Effective for services provided on or after July 1, 2015, medical assistance payment rates for durable medical equipment, prosthetics, orthotics, or supplies shall be increased as follows:

(1) payment rates for durable medical equipment, prosthetics, orthotics, or supplies that were subject to the Medicare competitive bid that took effect in January of 2009 shall be increased by 9.5 percent; and

(2) payment rates for durable medical equipment, prosthetics, orthotics, or supplies on the medical assistance fee schedule, whether or not subject to the Medicare competitive bid that took effect in January of 2009, shall be increased by 2.94 percent, with this increase being applied after calculation of any increased payment rate under clause (1).

This paragraph does not apply to medical supplies and durable medical equipment subject to a volume purchase contract, products subject to the preferred diabetic testing supply program, items provided to dually eligible recipients when Medicare is the primary payer for the item, and individually priced items identified in paragraph (i). Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect the rate increases in this paragraph.

(k) Effective for nonpressure support ventilators provided on or after January 1, 2016, the rate shall be the lower of the submitted charge or the Medicare fee schedule rate. Effective for pressure support ventilators provided on or after January 1, 2016, the rate shall be the lower of the submitted charge or 47 percent above the Medicare fee schedule rate. For payments made in accordance with this paragraph, if, and to the extent that, the commissioner identifies that the state has received federal financial participation for ventilators in excess of the amount allowed effective January 1, 2018, under United States Code, title 42, section 1396b(i)(27), the state shall repay the excess amount to the Centers for Medicare and Medicaid Services with state funds and maintain the full payment rate under this paragraph.

(l) Payment rates for durable medical equipment, prosthetics, orthotics or supplies, that are subject to the upper payment limit in accordance with section 1903(i)(27) of the Social Security Act, shall be paid the Medicare rate. Rate increases provided in this chapter shall not be applied to the items listed in this paragraph.

(m) For dates of service on or after July 1, 2023, through June 30, 2024, enteral nutrition and supplies must be paid according to this paragraph. If sufficient data exists for a product or supply, payment must be based upon the 50th percentile of the usual and customary charges per product code submitted to the commissioner, using only charges submitted per unit. Increases in rates resulting from the 50th percentile payment method must not exceed 150 percent of the previous fiscal year's rate per code and product combination. Data are sufficient if: (1) the commissioner has at least 100 paid claim lines by at least ten different providers for a given product or supply; or (2) in the absence of the data in clause (1), the commissioner has at least 20 claim lines by at least five different providers for a product or supply that does not meet the requirements of clause (1). If sufficient data are not available to calculate the 50th percentile for enteral products or supplies, the payment rate must be the payment rate in effect on June 30, 2023.

(n) For dates of service on or after July 1, 2024, enteral nutrition and supplies must be paid according to this paragraph and updated annually each January 1. If sufficient data exists for a product or supply, payment must be based upon the 50th percentile of the usual and customary charges per product code submitted to the commissioner for the previous calendar year, using only charges submitted per unit. Increases in rates resulting from the 50th percentile payment method must not exceed 150 percent of the previous year's rate per code and product combination. Data are

sufficient if: (1) the commissioner has at least 100 paid claim lines by at least ten different providers for a given product or supply; or (2) in the absence of the data in clause (1), the commissioner has at least 20 claim lines by at least five different providers for a product or supply that does not meet the requirements of clause (1). If sufficient data are not available to calculate the 50th percentile for enteral products or supplies, the payment must be the manufacturer's suggested retail price of that product or supply minus 20 percent. If the manufacturer's suggested retail price is not available, payment must be the actual acquisition cost of that product or supply plus 20 percent.

ARTICLE 4

BEHAVIORAL HEALTH

Section 1. Minnesota Statutes 2022, section 4.046, subdivision 6, is amended to read:

Subd. 6. **Office of Addiction and Recovery; director.** The Office of Addiction and Recovery is created in the Department of Management and Budget. The governor must appoint an addiction and recovery director, who shall serve as chair of the subcabinet and administer the Office of Addiction and Recovery. The director shall serve in the unclassified service and shall report to the governor. The director must:

(1) make efforts to break down silos and work across agencies to better target the state's role in addressing addiction, treatment, and recovery for youth and adults;

(2) assist in leading the subcabinet and the advisory council toward progress on measurable goals that track the state's efforts in combatting addiction for youth and adults, and preventing substance use and addiction among the state's youth population; and

(3) establish and manage external partnerships and build relationships with communities, community leaders, and those who have direct experience with addiction to ensure that all voices of recovery are represented in the work of the subcabinet and advisory council.

Sec. 2. Minnesota Statutes 2022, section 4.046, subdivision 7, is amended to read:

Subd. 7. **Staff and administrative support.** The commissioner of ~~human services management and budget~~, in coordination with other state agencies and boards as applicable, must provide staffing and administrative support to the Office of Addiction and Recovery, the addiction and recovery director, the subcabinet, and the advisory council established in this section.

Sec. 3. Minnesota Statutes 2022, section 245.91, subdivision 4, is amended to read:

Subd. 4. **Facility or program.** "Facility" or "program" means a nonresidential or residential program as defined in section 245A.02, subdivisions 10 and 14, and any agency, facility, or program that provides services or treatment for mental illness, developmental disability, substance use disorder, or emotional disturbance that is required to be licensed, certified, or registered by the commissioner of human services, health, or education; a sober home as defined in section 254B.01, subdivision 10; and an acute care inpatient facility that provides services or treatment for mental illness, developmental disability, substance use disorder, or emotional disturbance.

Sec. 4. Minnesota Statutes 2022, section 245G.02, subdivision 2, is amended to read:

Subd. 2. **Exemption from license requirement.** This chapter does not apply to a county or recovery community organization that is providing a service for which the county or recovery community organization is an eligible vendor under section 254B.05. This chapter does not apply to an organization whose primary functions are information, referral, diagnosis, case management, and assessment for the purposes of client placement, education, support group services, or self-help programs. This chapter does not apply to the activities of a licensed professional in private practice. A license holder providing the initial set of substance use disorder services allowable under section 254A.03, subdivision 3, paragraph (c), to an individual referred to a licensed nonresidential substance use disorder treatment program after a positive screen for alcohol or substance misuse is exempt from sections 245G.05; 245G.06, subdivisions 1, ~~2~~ 1a, and 4; 245G.07, subdivisions 1, paragraph (a), clauses (2) to (4), and 2, clauses (1) to (7); and 245G.17.

Sec. 5. Minnesota Statutes 2022, section 245G.09, subdivision 3, is amended to read:

Subd. 3. **Contents.** Client records must contain the following:

(1) documentation that the client was given information on client rights and responsibilities, grievance procedures, tuberculosis, and HIV, and that the client was provided an orientation to the program abuse prevention plan required under section 245A.65, subdivision 2, paragraph (a), clause (4). If the client has an opioid use disorder, the record must contain documentation that the client was provided educational information according to section 245G.05, subdivision 1, paragraph (b);

(2) an initial services plan completed according to section 245G.04;

(3) a comprehensive assessment completed according to section 245G.05;

(4) an assessment summary completed according to section 245G.05, subdivision 2;

(5) an individual abuse prevention plan according to sections 245A.65, subdivision 2, and 626.557, subdivision 14, when applicable;

(6) an individual treatment plan according to section 245G.06, subdivisions 1 ~~and 2~~ and 1a;

(7) documentation of treatment services, significant events, appointments, concerns, and treatment plan reviews according to section 245G.06, subdivisions 2a, 2b, and 3; and

(8) a summary at the time of service termination according to section 245G.06, subdivision 4.

Sec. 6. Minnesota Statutes 2022, section 245G.22, subdivision 15, as amended by 2023 H.F. No. 1403, article 1, section 17, if enacted, is amended to read:

Subd. 15. **Nonmedication treatment services; documentation.** (a) The program must offer at least 50 consecutive minutes of individual or group therapy treatment services as defined in section 245G.07, subdivision 1, paragraph (a), clause (1), per week, for the first ten weeks following the day of service initiation, and at least 50 consecutive minutes per month thereafter. As clinically appropriate, the program may offer these services cumulatively and not consecutively in increments of no less than 15 minutes over the required time period, and for a total of 60 minutes of treatment services over the time period, and must document the reason for providing services cumulatively

in the client's record. The program may offer additional levels of service when deemed clinically necessary.

(b) Notwithstanding the requirements of comprehensive assessments in section 245G.05, the assessment must be completed within 21 days from the day of service initiation.

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

Sec. 7. Minnesota Statutes 2022, section 253B.10, subdivision 1, is amended to read:

Subdivision 1. **Administrative requirements.** (a) When a person is committed, the court shall issue a warrant or an order committing the patient to the custody of the head of the treatment facility, state-operated treatment program, or community-based treatment program. The warrant or order shall state that the patient meets the statutory criteria for civil commitment.

(b) The commissioner shall prioritize patients being admitted from jail or a correctional institution who are:

(1) ordered confined in a state-operated treatment program for an examination under Minnesota Rules of Criminal Procedure, rules 20.01, subdivision 4, paragraph (a), and 20.02, subdivision 2;

(2) under civil commitment for competency treatment and continuing supervision under Minnesota Rules of Criminal Procedure, rule 20.01, subdivision 7;

(3) found not guilty by reason of mental illness under Minnesota Rules of Criminal Procedure, rule 20.02, subdivision 8, and under civil commitment or are ordered to be detained in a state-operated treatment program pending completion of the civil commitment proceedings; or

(4) committed under this chapter to the commissioner after dismissal of the patient's criminal charges.

Patients described in this paragraph must be admitted to a state-operated treatment program within 48 hours. The commitment must be ordered by the court as provided in section 253B.09, subdivision 1, paragraph (d).

(c) Upon the arrival of a patient at the designated treatment facility, state-operated treatment program, or community-based treatment program, the head of the facility or program shall retain the duplicate of the warrant and endorse receipt upon the original warrant or acknowledge receipt of the order. The endorsed receipt or acknowledgment must be filed in the court of commitment. After arrival, the patient shall be under the control and custody of the head of the facility or program.

(d) Copies of the petition for commitment, the court's findings of fact and conclusions of law, the court order committing the patient, the report of the court examiners, and the prepetition report, and any medical and behavioral information available shall be provided at the time of admission of a patient to the designated treatment facility or program to which the patient is committed. Upon a patient's referral to the commissioner of human services for admission pursuant to subdivision 1, paragraph (b), any inpatient hospital, treatment facility, jail, or correctional facility that has provided care or supervision to the patient in the previous two years shall, when requested by the treatment facility or commissioner, provide copies of the patient's medical and behavioral records to the

Department of Human Services for purposes of preadmission planning. This information shall be provided by the head of the treatment facility to treatment facility staff in a consistent and timely manner and pursuant to all applicable laws.

(e) Patients described in paragraph (b) must be admitted to a state-operated treatment program within 48 hours of the Office of Medical Director, under section 246.018, or a designee determining that a medically appropriate bed is available. This paragraph expires on June 30, 2025.

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

Sec. 8. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 10. **Sober home.** A sober home is a cooperative living residence, a room and board residence, an apartment, or any other living accommodation that:

(1) provides temporary housing to persons with substance use disorders;

(2) stipulates that residents must abstain from using alcohol or other illicit drugs or substances not prescribed by a physician;

(3) charges a fee for living there;

(4) does not provide counseling or treatment services to residents;

(5) promotes sustained recovery from substance use disorders; and

(6) follows the sober living guidelines published by the federal Substance Abuse and Mental Health Services Administration.

Sec. 9. Minnesota Statutes 2022, section 254B.05, subdivision 1, is amended to read:

Subdivision 1. **Licensure required** . (a) Programs licensed by the commissioner are eligible vendors. Hospitals may apply for and receive licenses to be eligible vendors, notwithstanding the provisions of section 245A.03. American Indian programs that provide substance use disorder treatment, extended care, transitional residence, or outpatient treatment services, and are licensed by tribal government are eligible vendors.

(b) A licensed professional in private practice as defined in section 245G.01, subdivision 17, who meets the requirements of section 245G.11, subdivisions 1 and 4, is an eligible vendor of a comprehensive assessment and assessment summary provided according to section 245G.05, and treatment services provided according to sections 245G.06 and 245G.07, subdivision 1, paragraphs (a), clauses (1) to (5), and (b); and subdivision 2, clauses (1) to (6).

(c) A county is an eligible vendor for a comprehensive assessment and assessment summary when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 5, and completed according to the requirements of section 245G.05. A county is an eligible vendor of care coordination services when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 7, and provided according to the requirements of section 245G.07, subdivision 1, paragraph (a), clause (5). A county is an eligible vendor of peer

recovery services when the services are provided by an individual who meets the requirements of section 245G.11, subdivision 8.

(d) A recovery community organization that meets certification requirements identified by the commissioner is an eligible vendor of peer support services.

(e) Detoxification programs licensed under Minnesota Rules, parts 9530.6510 to 9530.6590, are not eligible vendors. Programs that are not licensed as a residential or nonresidential substance use disorder treatment or withdrawal management program by the commissioner or by tribal government or do not meet the requirements of subdivisions 1a and 1b are not eligible vendors.

Sec. 10. Minnesota Statutes 2022, section 254B.05, subdivision 5, is amended to read:

Subd. 5. **Rate requirements.** (a) The commissioner shall establish rates for substance use disorder services and service enhancements funded under this chapter.

(b) Eligible substance use disorder treatment services include:

(1) outpatient treatment services that are licensed according to sections 245G.01 to 245G.17, or applicable tribal license;

(2) comprehensive assessments provided according to sections 245.4863, paragraph (a), and 245G.05;

(3) care coordination services provided according to section 245G.07, subdivision 1, paragraph (a), clause (5);

(4) peer recovery support services provided according to section 245G.07, subdivision 2, clause (8);

(5) on July 1, 2019, or upon federal approval, whichever is later, withdrawal management services provided according to chapter 245F;

~~(6) substance use disorder treatment services with medications for opioid use disorder that are licensed according to sections 245G.01 to 245G.17 and 245G.22, or applicable tribal license;~~

~~(7) substance use disorder treatment with medications for opioid use disorder plus enhanced treatment services that meet the requirements of clause (6) and provide nine hours of clinical services each week;~~

~~(8) (6) high, medium, and low intensity residential treatment services that are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable tribal license which provide, respectively, 30, 15, and five hours of clinical services each week;~~

~~(9) (7) hospital-based treatment services that are licensed according to sections 245G.01 to 245G.17 or applicable tribal license and licensed as a hospital under sections 144.50 to 144.56;~~

~~(10) (8) adolescent treatment programs that are licensed as outpatient treatment programs according to sections 245G.01 to 245G.18 or as residential treatment programs according to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430 to 2960.0490, or applicable tribal license;~~

~~(H)~~ (9) high-intensity residential treatment services that are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable tribal license, which provide 30 hours of clinical services each week provided by a state-operated vendor or to clients who have been civilly committed to the commissioner, present the most complex and difficult care needs, and are a potential threat to the community; and

~~(I)~~ (10) room and board facilities that meet the requirements of subdivision 1a.

(c) The commissioner shall establish higher rates for programs that meet the requirements of paragraph (b) and one of the following additional requirements:

(1) programs that serve parents with their children if the program:

(i) provides on-site child care during the hours of treatment activity that:

(A) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter 9503; or

(B) meets the licensure exclusion criteria of section 245A.03, subdivision 2, paragraph (a), clause (6), and meets the requirements under section 245G.19, subdivision 4; or

(ii) arranges for off-site child care during hours of treatment activity at a facility that is licensed under chapter 245A as:

(A) a child care center under Minnesota Rules, chapter 9503; or

(B) a family child care home under Minnesota Rules, chapter 9502;

(2) culturally specific or culturally responsive programs as defined in section 254B.01, subdivision 4a;

(3) disability responsive programs as defined in section 254B.01, subdivision 4b;

(4) programs that offer medical services delivered by appropriately credentialed health care staff in an amount equal to two hours per client per week if the medical needs of the client and the nature and provision of any medical services provided are documented in the client file; or

(5) programs that offer services to individuals with co-occurring mental health and substance use disorder problems if:

(i) the program meets the co-occurring requirements in section 245G.20;

(ii) 25 percent of the counseling staff are licensed mental health professionals under section 245I.04, subdivision 2, or are students or licensing candidates under the supervision of a licensed alcohol and drug counselor supervisor and mental health professional under section 245I.04, subdivision 2, except that no more than 50 percent of the mental health staff may be students or licensing candidates with time documented to be directly related to provisions of co-occurring services;

(iii) clients scoring positive on a standardized mental health screen receive a mental health diagnostic assessment within ten days of admission;

(iv) the program has standards for multidisciplinary case review that include a monthly review for each client that, at a minimum, includes a licensed mental health professional and licensed alcohol and drug counselor, and their involvement in the review is documented;

(v) family education is offered that addresses mental health and substance use disorder and the interaction between the two; and

(vi) co-occurring counseling staff shall receive eight hours of co-occurring disorder training annually.

(d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program that provides arrangements for off-site child care must maintain current documentation at the substance use disorder facility of the child care provider's current licensure to provide child care services. Programs that provide child care according to paragraph (c), clause (1), must be deemed in compliance with the licensing requirements in section 245G.19.

(e) Adolescent residential programs that meet the requirements of Minnesota Rules, parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements in paragraph (c), clause (4), items (i) to (iv).

(f) Subject to federal approval, substance use disorder services that are otherwise covered as direct face-to-face services may be provided via telehealth as defined in section 256B.0625, subdivision 3b. The use of telehealth to deliver services must be medically appropriate to the condition and needs of the person being served. Reimbursement shall be at the same rates and under the same conditions that would otherwise apply to direct face-to-face services.

(g) For the purpose of reimbursement under this section, substance use disorder treatment services provided in a group setting without a group participant maximum or maximum client to staff ratio under chapter 245G shall not exceed a client to staff ratio of 48 to one. At least one of the attending staff must meet the qualifications as established under this chapter for the type of treatment service provided. A recovery peer may not be included as part of the staff ratio.

(h) Payment for outpatient substance use disorder services that are licensed according to sections 245G.01 to 245G.17 is limited to six hours per day or 30 hours per week unless prior authorization of a greater number of hours is obtained from the commissioner.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner shall notify the revisor of statutes when federal approval is obtained.

Sec. 11. [254B.121] RATE METHODOLOGY; SUBSTANCE USE DISORDER TREATMENT SERVICES WITH MEDICATIONS FOR OPIOID USE DISORDER.

Subdivision 1. Rates established. Notwithstanding sections 254B.03, subdivision 9, paragraph (a), clause (2); 254B.05, subdivision 5, paragraph (a); and 254B.12, subdivision 1, the commissioner

shall use the rates in this section for substance use disorder treatment services with medications for opioid use disorder.

Subd. 2. **Rate updates.** Effective each January 1, the commissioner must update the rates for substance use disorder treatment services with medications for opioid use disorder that are licensed according to sections 245G.01 to 245G.17 and 245G.22, or applicable Tribal license, to equal the corresponding Minnesota-specific, locality-adjusted Medicare rates for the same or comparable services in the calendar year in which the services are provided. This rate does not apply to federally qualified health centers, rural health centers, Indian health services, and certified community behavioral health centers.

Subd. 3. **Nondrug weekly bundle annual limit.** No more than 30 weekly nondrug bundle charges are eligible for coverage in the first calendar year that an enrollee is being treated by an opioid treatment provider and no more than 15 weekly nondrug bundle charges are eligible for coverage in subsequent calendar years. The commissioner may override the coverage limitation on the number of weekly nondrug bundle charges for an enrollee if the provider obtains authorization to exceed the limit and documents the medical necessity, services to be provided, and rationale for requiring the enrollee to report to the provider's facility for a face-to-face encounter more frequently.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner shall notify the revisor of statutes when federal approval is obtained.

Sec. 12. **[254B.17] WITHDRAWAL MANAGEMENT START-UP AND CAPACITY-BUILDING GRANTS.**

The commissioner must establish start-up and capacity-building grants for prospective or new withdrawal management programs licensed under chapter 245F that will meet medically monitored or clinically monitored levels of care. Grants may be used for expenses that are not reimbursable under Minnesota health care programs, including but not limited to:

- (1) costs associated with hiring staff;
- (2) costs associated with staff retention;
- (3) the purchase of office equipment and supplies;
- (4) the purchase of software;
- (5) costs associated with obtaining applicable and required licenses;
- (6) business formation costs;
- (7) costs associated with staff training; and
- (8) the purchase of medical equipment and supplies necessary to meet health and safety requirements.

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

Sec. 13. **[254B.18] SAFE RECOVERY SITES START-UP AND CAPACITY-BUILDING GRANTS.**

(a) The commissioner of human services must establish start-up and capacity-building grants for current or prospective harm reduction organizations to promote health, wellness, safety, and recovery to people who are in active stages of substance use disorder. Grants must be used to establish safe recovery sites that offer harm reduction services and supplies, including but not limited to:

- (1) safe injection spaces;
- (2) sterile needle exchange;
- (3) opiate antagonist rescue kits;
- (4) fentanyl and other drug testing;
- (5) street outreach;
- (6) educational and referral services;
- (7) health, safety, and wellness services; and
- (8) access to hygiene and sanitation.

(b) The commissioner must conduct local community outreach and engagement in collaboration with newly established safe recovery sites. The commissioner must evaluate the efficacy of safe recovery sites and collect data to measure health-related and public safety outcomes.

(c) The commissioner must prioritize grant applications for organizations that are culturally specific or culturally responsive and that commit to serving individuals from communities that are disproportionately impacted by the opioid epidemic, including:

- (1) Native American, American Indian, and Indigenous communities; and
- (2) Black, African American, and African-born communities.

(d) For purposes of this section, a "culturally specific" or "culturally responsive" organization is an organization that is designed to address the unique needs of individuals who share a common language, racial, ethnic, or social background, and is governed with significant input from individuals of that specific background.

Sec. 14. **[254B.181] SOBER HOMES.**

Subdivision 1. **Requirements.** All sober homes must comply with applicable state laws and regulations and local ordinances related to maximum occupancy, fire safety, and sanitation. In addition, all sober homes must:

- (1) maintain a supply of an opiate antagonist in the home and post information on proper use;
- (2) have written policies regarding access to all prescribed medications;

(3) have written policies regarding evictions;

(4) return all property and medications to a person discharged from the home and retain the items for a minimum of 60 days if the person did not collect them upon discharge. The owner must make an effort to contact persons listed as emergency contacts for the discharged person so that the items are returned;

(5) document the names and contact information for persons to contact in case of an emergency or upon discharge and notification of a family member, or other emergency contact designated by the resident under certain circumstances, including but not limited to death due to an overdose;

(6) maintain contact information for emergency resources in the community to address mental health and health emergencies;

(7) have policies on staff qualifications and prohibition against fraternization;

(8) have a policy on whether the use of medications for opioid use disorder is permissible;

(9) have a fee schedule and refund policy;

(10) have rules for residents;

(11) have policies that promote resident participation in treatment, self-help groups, or other recovery supports;

(12) have policies requiring abstinence from alcohol and illicit drugs; and

(13) distribute the sober home bill of rights.

Subd. 2. **Bill of rights.** An individual living in a sober home has the right to:

(1) have access to an environment that supports recovery;

(2) have access to an environment that is safe and free from alcohol and other illicit drugs or substances;

(3) be free from physical and verbal abuse, neglect, financial exploitation, and all forms of maltreatment covered under the Vulnerable Adults Act, sections 626.557 to 626.5572;

(4) be treated with dignity and respect and to have personal property treated with respect;

(5) have personal, financial, and medical information kept private and to be advised of the sober home's policies and procedures regarding disclosure of such information;

(6) access, while living in the residence, to other community-based support services as needed;

(7) be referred to appropriate services upon leaving the residence, if necessary;

(8) retain personal property that does not jeopardize safety or health;

(9) assert these rights personally or have them asserted by the individual's representative or by anyone on behalf of the individual without retaliation;

(10) be provided with the name, address, and telephone number of the ombudsman for mental health, substance use disorder, and developmental disabilities and information about the right to file a complaint;

(11) be fully informed of these rights and responsibilities, as well as program policies and procedures; and

(12) not be required to perform services for the residence that are not included in the usual expectations for all residents.

Subd. 3. **Complaints; ombudsman for mental health and developmental disabilities.** Any complaints about a sober home may be made to and reviewed or investigated by the ombudsman for mental health and developmental disabilities, pursuant to sections 245.91 and 245.94.

Subd. 4. **Private right of action.** In addition to pursuing other remedies, an individual may bring an action to recover damages caused by a violation of this section.

Sec. 15. **[254B.191] EVIDENCE-BASED TRAINING.**

The commissioner of human services must establish training opportunities for substance use disorder treatment providers under Minnesota Statutes, chapters 245F and 245G, and applicable Tribal licenses, to increase knowledge and develop skills to adopt evidence-based and promising practices in substance use disorder treatment programs. Training opportunities must support the transition to American Society of Addiction Medicine (ASAM) standards. Training formats may include self or organizational assessments, virtual modules, one-to-one coaching, self-paced courses, interactive hybrid courses, and in-person courses. Foundational and skill-building training topics may include:

- (1) ASAM criteria;
- (2) person-centered and culturally responsive services;
- (3) medical and clinical decision making;
- (4) conducting assessments and appropriate level of care;
- (5) treatment and service planning;
- (6) identifying and overcoming systems challenges;
- (7) conducting clinical case reviews; and
- (8) appropriate and effective transfer and discharge.

Sec. 16. Minnesota Statutes 2022, section 256B.0759, subdivision 2, is amended to read:

Subd. 2. **Provider participation.** ~~(a) Outpatient Programs licensed by the Department of Human Services as nonresidential substance use disorder treatment providers may elect to participate in the demonstration project and meet the requirements of subdivision 3. To participate, a provider must notify the commissioner of the provider's intent to participate in a format required by the commissioner and enroll as a demonstration project provider~~ Programs that receive payment under this chapter must enroll as demonstration project providers and meet the requirements of subdivision 3 by January 1, 2025. Programs that do not meet the requirements of this paragraph are ineligible for payment for services provided under section 256B.0625.

(b) Programs licensed by the Department of Human Services as residential treatment programs according to section 245G.21 that receive payment under this chapter must enroll as demonstration project providers and meet the requirements of subdivision 3 by January 1, 2024. Programs that do not meet the requirements of this paragraph are ineligible for payment for services provided under section 256B.0625.

(c) Programs licensed by the Department of Human Services as residential treatment programs according to section 245G.21 that receive payment under this chapter and are licensed as a hospital under sections 144.50 to 144.581 must enroll as demonstration project providers and meet the requirements of subdivision 3 by January 1, 2025.

~~(e)~~ (d) Programs licensed by the Department of Human Services as withdrawal management programs according to chapter 245F that receive payment under this chapter must enroll as demonstration project providers and meet the requirements of subdivision 3 by January 1, 2024. Programs that do not meet the requirements of this paragraph are ineligible for payment for services provided under section 256B.0625.

~~(d)~~ (e) Out-of-state residential substance use disorder treatment programs that receive payment under this chapter must enroll as demonstration project providers and meet the requirements of subdivision 3 by January 1, 2024. Programs that do not meet the requirements of this paragraph are ineligible for payment for services provided under section 256B.0625.

~~(e)~~ (f) Tribally licensed programs may elect to participate in the demonstration project and meet the requirements of subdivision 3. The Department of Human Services must consult with Tribal nations to discuss participation in the substance use disorder demonstration project.

~~(f)~~ (g) The commissioner shall allow providers enrolled in the demonstration project before July 1, 2021, to receive applicable rate enhancements authorized under subdivision 4 for all services provided on or after the date of enrollment, except that the commissioner shall allow a provider to receive applicable rate enhancements authorized under subdivision 4 for services provided on or after July 22, 2020, to fee-for-service enrollees, and on or after January 1, 2021, to managed care enrollees, if the provider meets all of the following requirements:

(1) the provider attests that during the time period for which the provider is seeking the rate enhancement, the provider took meaningful steps in their plan approved by the commissioner to meet the demonstration project requirements in subdivision 3; and

(2) the provider submits attestation and evidence, including all information requested by the commissioner, of meeting the requirements of subdivision 3 to the commissioner in a format required by the commissioner.

~~(g)~~ (h) The commissioner may recoup any rate enhancements paid under paragraph ~~(f)~~ (g) to a provider that does not meet the requirements of subdivision 3 by July 1, 2021.

Sec. 17. Minnesota Statutes 2022, section 256I.05, is amended by adding a subdivision to read:

Subd. 1s. **Supplemental rate; Douglas County.** Notwithstanding the provisions of subdivisions 1a and 1c, beginning July 1, 2023, a county agency shall negotiate a supplementary rate in addition to the rate specified in subdivision 1, not to exceed \$750 per month, including any legislatively authorized inflationary adjustments, for a housing support provider located in Douglas County that operates a long-term residential facility with a total of 74 beds that serve chemically dependent men and provide 24-hour-a-day supervision and other support services.

Sec. 18. Minnesota Statutes 2022, section 256I.05, is amended by adding a subdivision to read:

Subd. 1t. **Supplemental rate; Crow Wing County.** Notwithstanding the provisions of subdivisions 1a and 1c, beginning July 1, 2023, a county agency shall negotiate a supplementary rate in addition to the rate specified in subdivision 1, not to exceed \$750 per month, including any legislatively authorized inflationary adjustments, for a housing support provider located in Crow Wing County that operates a long-term residential facility with a total of 90 beds that serves chemically dependent men and women and provides 24-hour-a-day supervision and other support services.

Sec. 19. Minnesota Statutes 2022, section 256I.05, is amended by adding a subdivision to read:

Subd. 1u. **Supplemental rate; Douglas County.** Notwithstanding the provisions in this section, beginning July 1, 2023, a county agency shall negotiate a supplemental rate for up to 20 beds in addition to the rate specified in subdivision 1, not to exceed the maximum rate allowed under subdivision 1a, including any legislatively authorized inflationary adjustments, for a housing support provider located in Douglas County that operates two facilities and provides room and board and supplementary services to adult males recovering from substance use disorder, mental illness, or housing instability.

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

Sec. 20. **[325F.725] SOBER HOME TITLE PROTECTION.**

No person or entity may use the phrase "sober home," whether alone or in combination with other words and whether orally or in writing, to advertise, market, or otherwise describe, offer, or promote itself, or any housing, service, service package, or program that it provides within this state, unless the person or entity meets the definition of a sober home in section 254B.01, subdivision 10, and meets the requirements of section 254B.181.

Sec. 21. **CULTURALLY RESPONSIVE RECOVERY COMMUNITY GRANTS.**

The commissioner must establish start-up and capacity-building grants for prospective or new recovery community organizations serving or intending to serve culturally specific or population-specific recovery communities. Grants may be used for expenses that are not reimbursable under Minnesota health care programs, including but not limited to:

- (1) costs associated with hiring and retaining staff;
- (2) staff training, purchasing office equipment and supplies;
- (3) purchasing software and website services;
- (4) costs associated with establishing nonprofit status;
- (5) rental and lease costs and community outreach; and
- (6) education and recovery events.

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

Sec. 22. FAMILY TREATMENT START-UP AND CAPACITY-BUILDING GRANTS.

The commissioner of human services must establish start-up and capacity-building grants for prospective or new substance use disorder treatment programs that serve parents with their children. Grants must be used for expenses that are not reimbursable under Minnesota health care programs, including but not limited to:

- (1) physical plant upgrades to support larger family units;
- (2) supporting the expansion or development of programs that provide holistic services, including trauma supports, conflict resolution, and parenting skills;
- (3) increasing awareness, education, and outreach utilizing culturally responsive approaches to develop relationships between culturally specific communities and clinical treatment provider programs; and
- (4) expanding culturally specific family programs and accommodating diverse family units.

Sec. 23. MEDICAL ASSISTANCE BEHAVIORAL HEALTH SYSTEM TRANSFORMATION STUDY.

The commissioner of human services, in consultation with stakeholders, must evaluate the feasibility, potential design, and federal authorities needed to cover traditional healing, behavioral health services in correctional facilities, and contingency management under the medical assistance program.

Sec. 24. OPIOID TREATMENT PROGRAM WORK GROUP.

The commissioner of human services must convene a work group of community partners to evaluate the opioid treatment program model under Minnesota Statutes, section 245G.22, and to make recommendations on overall service design; simplification or improvement of regulatory oversight; increasing access to opioid treatment programs and improving the quality of care; addressing geographic, racial, and justice-related disparities for individuals who utilize or may benefit from medications for opioid use disorder; and other related topics, as determined by the work group. The commissioner must report the work group's recommendations to the chairs and

ranking minority members of the legislative committees with jurisdiction over health and human services by January 15, 2024.

Sec. 25. ENROLLMENT AND REQUIREMENTS FOR PEER RECOVERY SUPPORT SERVICES VENDORS.

The commissioner of human services must consult with providers, counties, Tribes, recovery community organizations, and the recovery community at large to develop recommendations on whether entities seeking vendor eligibility for medical assistance peer recovery support services should be subject to additional provider enrollment and oversight requirements. The commissioner must submit recommendations to the chairs and ranking minority members of the committees with jurisdiction over health and human services by February 1, 2024. Recommendations must include the additional requirements that may be needed and specify which entities would be subject to the additional requirements. Recommendations must balance the goals of fostering cultures of accountability, applying supportive supervision models, and increasing access to high-quality, culturally responsive medical assistance peer recovery support services.

Sec. 26. SOBER HOME SCAN.

The commissioner of human services shall conduct a survey to identify sober home settings across the state and to collect information about the services they provide, their funding sources, whether they specialize in serving specific populations, and other information needed to inform policies to strengthen sober housing in the state. The commissioner must collaborate with the Minnesota Association of Sober Homes, sober home operators, the recovery community, behavioral health providers that work directly with sober housing, and recovery community organizations to provide input and data for this survey.

Sec. 27. REVISOR INSTRUCTION.

The revisor of statutes shall renumber Minnesota Statutes, section 245G.01, subdivision 20b, as Minnesota Statutes, section 245G.01, subdivision 20d, and make any necessary changes to cross-references.

Sec. 28. REPEALER.

(a) Minnesota Statutes 2022, sections 245G.05, subdivision 2; 245G.06, subdivision 2; and 256B.0759, subdivision 6, are repealed.

(b) Minnesota Statutes 2022, section 246.18, subdivisions 2 and 2a, are repealed.

EFFECTIVE DATE. Paragraph (a) is effective January 1, 2024. Paragraph (b) is effective July 1, 2023.

ARTICLE 5

OPIOID EPIDEMIC RESPONSE AND OVERDOSE PREVENTION

Section 1. **[121A.224] OPIATE ANTAGONISTS.**

(a) A school district or charter school must maintain a supply of opiate antagonists, as defined in section 604A.04, subdivision 1, at each school site to be administered in compliance with section 151.37, subdivision 12.

(b) Each school building must have at least two doses of a nasal opiate antagonist available on site.

(c) The commissioner of health shall identify resources, including at least one training video, to help schools implement an opiate antagonist emergency response and make the resources available for schools.

(d) A school board may adopt a model plan for use, storage, and administration of opiate antagonists.

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

Sec. 2. Minnesota Statutes 2022, section 241.021, subdivision 1, is amended to read:

Subdivision 1. **Correctional facilities; inspection; licensing.** (a) Except as provided in paragraph (b), the commissioner of corrections shall inspect and license all correctional facilities throughout the state, whether public or private, established and operated for the detention and confinement of persons confined or incarcerated therein according to law except to the extent that they are inspected or licensed by other state regulating agencies. The commissioner shall promulgate pursuant to chapter 14, rules establishing minimum standards for these facilities with respect to their management, operation, physical condition, and the security, safety, health, treatment, and discipline of persons confined or incarcerated therein. These minimum standards shall include but are not limited to specific guidance pertaining to:

(1) screening, appraisal, assessment, and treatment for persons confined or incarcerated in correctional facilities with mental illness or substance use disorders;

(2) a policy on the involuntary administration of medications;

(3) suicide prevention plans and training;

(4) verification of medications in a timely manner;

(5) well-being checks;

(6) discharge planning, including providing prescribed medications to persons confined or incarcerated in correctional facilities upon release;

(7) a policy on referrals or transfers to medical or mental health care in a noncorrectional institution;

(8) use of segregation and mental health checks;

(9) critical incident debriefings;

(10) clinical management of substance use disorders and opioid overdose emergency procedures;

(11) a policy regarding identification of persons with special needs confined or incarcerated in correctional facilities;

(12) a policy regarding the use of telehealth;

(13) self-auditing of compliance with minimum standards;

(14) information sharing with medical personnel and when medical assessment must be facilitated;

(15) a code of conduct policy for facility staff and annual training;

(16) a policy on death review of all circumstances surrounding the death of an individual committed to the custody of the facility; and

(17) dissemination of a rights statement made available to persons confined or incarcerated in licensed correctional facilities.

No individual, corporation, partnership, voluntary association, or other private organization legally responsible for the operation of a correctional facility may operate the facility unless it possesses a current license from the commissioner of corrections. Private adult correctional facilities shall have the authority of section 624.714, subdivision 13, if the Department of Corrections licenses the facility with the authority and the facility meets requirements of section 243.52.

The commissioner shall review the correctional facilities described in this subdivision at least once every two years, except as otherwise provided, to determine compliance with the minimum standards established according to this subdivision or other Minnesota statute related to minimum standards and conditions of confinement.

The commissioner shall grant a license to any facility found to conform to minimum standards or to any facility which, in the commissioner's judgment, is making satisfactory progress toward substantial conformity and the standards not being met do not impact the interests and well-being of the persons confined or incarcerated in the facility. A limited license under subdivision 1a may be issued for purposes of effectuating a facility closure. The commissioner may grant licensure up to two years. Unless otherwise specified by statute, all licenses issued under this chapter expire at 12:01 a.m. on the day after the expiration date stated on the license.

The commissioner shall have access to the buildings, grounds, books, records, staff, and to persons confined or incarcerated in these facilities. The commissioner may require the officers in charge of these facilities to furnish all information and statistics the commissioner deems necessary, at a time and place designated by the commissioner.

All facility administrators of correctional facilities are required to report all deaths of individuals who died while committed to the custody of the facility, regardless of whether the death occurred at the facility or after removal from the facility for medical care stemming from an incident or need for medical care at the correctional facility, as soon as practicable, but no later than 24 hours of receiving knowledge of the death, including any demographic information as required by the commissioner.

All facility administrators of correctional facilities are required to report all other emergency or unusual occurrences as defined by rule, including uses of force by facility staff that result in substantial bodily harm or suicide attempts, to the commissioner of corrections within ten days from the occurrence, including any demographic information as required by the commissioner. The commissioner of corrections shall consult with the Minnesota Sheriffs' Association and a representative from the Minnesota Association of Community Corrections Act Counties who is responsible for the operations of an adult correctional facility to define "use of force" that results in substantial bodily harm for reporting purposes.

The commissioner may require that any or all such information be provided through the Department of Corrections detention information system. The commissioner shall post each inspection report publicly and on the department's website within 30 days of completing the inspection. The education program offered in a correctional facility for the confinement or incarceration of juvenile offenders must be approved by the commissioner of education before the commissioner of corrections may grant a license to the facility.

(b) For juvenile facilities licensed by the commissioner of human services, the commissioner may inspect and certify programs based on certification standards set forth in Minnesota Rules. For the purpose of this paragraph, "certification" has the meaning given it in section 245A.02.

(c) Any state agency which regulates, inspects, or licenses certain aspects of correctional facilities shall, insofar as is possible, ensure that the minimum standards it requires are substantially the same as those required by other state agencies which regulate, inspect, or license the same aspects of similar types of correctional facilities, although at different correctional facilities.

(d) Nothing in this section shall be construed to limit the commissioner of corrections' authority to promulgate rules establishing standards of eligibility for counties to receive funds under sections 401.01 to 401.16, or to require counties to comply with operating standards the commissioner establishes as a condition precedent for counties to receive that funding.

(e) The department's inspection unit must report directly to a division head outside of the correctional institutions division.

Sec. 3. Minnesota Statutes 2022, section 241.31, subdivision 5, is amended to read:

Subd. 5. **Minimum standards.** The commissioner of corrections shall establish minimum standards for the size, area to be served, qualifications of staff, ratio of staff to client population, and treatment programs for community corrections programs established pursuant to this section. Plans and specifications for such programs, including proposed budgets must first be submitted to the commissioner for approval prior to the establishment. Community corrections programs must maintain a supply of opiate antagonists, as defined in section 604A.04, subdivision 1, at each correctional site to be administered in compliance with section 151.37, subdivision 12. Each site must have at least two doses of an opiate antagonist on site. Staff must be trained on how and when to administer opiate antagonists.

Sec. 4. Minnesota Statutes 2022, section 241.415, is amended to read:

241.415 RELEASE PLANS; SUBSTANCE ABUSE.

The commissioner shall cooperate with community-based corrections agencies to determine how best to address the substance abuse treatment needs of offenders who are being released from prison. The commissioner shall ensure that an offender's prison release plan adequately addresses the offender's needs for substance abuse assessment, treatment, or other services following release, within the limits of available resources. The commissioner must provide individuals with known or stated histories of opioid use disorder with emergency opiate antagonist rescue kits upon release.

Sec. 5. **[245.891] OPIOID OVERDOSE SURGE ALERT SYSTEM.**

The commissioner must establish a voluntary, statewide opioid overdose surge text message alert system, to prevent opioid overdose by cautioning people to refrain from substance use or to use harm reduction strategies when there is an overdose surge in their surrounding area. The alert system may include other forms of electronic alerts. The commissioner may collaborate with local agencies, other state agencies, and harm reduction organizations to promote and improve the surge alert system.

Sec. 6. **[245A.242] EMERGENCY OVERDOSE TREATMENT.**

Subdivision 1. **Applicability.** This section applies to the following licenses issued under this chapter:

- (1) substance use disorder treatment programs licensed according to chapter 245G;
- (2) children's residential facility substance use disorder treatment programs licensed according to Minnesota Rules, parts 2960.0010 to 2960.0220 and 2960.0430 to 2960.0490;
- (3) detoxification programs licensed according to Minnesota Rules, parts 9530.6510 to 9530.6590;
- (4) withdrawal management programs licensed according to chapter 245F; and
- (5) intensive residential treatment services or residential crisis stabilization licensed according to chapter 245I and section 245I.23.

Subd. 2. **Emergency overdose treatment.** A license holder must maintain a supply of opiate antagonists as defined in section 604A.04, subdivision 1, available for emergency treatment of opioid overdose and must have a written standing order protocol by a physician who is licensed under chapter 147, advanced practice registered nurse who is licensed under chapter 148, or physician assistant who is licensed under chapter 147A, that permits the license holder to maintain a supply of opiate antagonists on site. A license holder must require staff to undergo training in the specific mode of administration used at the program, which may include intranasal administration, intramuscular injection, or both.

Sec. 7. Minnesota Statutes 2022, section 245G.08, subdivision 3, is amended to read:

Subd. 3. ~~Standing order protocol~~ **Emergency overdose treatment.** A license holder ~~that maintains a supply of naloxone available for emergency treatment of opioid overdose must have a written standing order protocol by a physician who is licensed under chapter 147, advanced practice registered nurse who is licensed under chapter 148, or physician assistant who is licensed under chapter 147A, that permits the license holder to maintain a supply of naloxone on site. A license~~

~~holder must require staff to undergo training in the specific mode of administration used at the program, which may include intranasal administration, intramuscular injection, or both. must follow the emergency overdose treatment requirements in section 245A.242.~~

Sec. 8. Minnesota Statutes 2022, section 256.042, subdivision 1, is amended to read:

Subdivision 1. **Establishment of the advisory council.** (a) The Opiate Epidemic Response Advisory Council is established to develop and implement a comprehensive and effective statewide effort to address the opioid addiction and overdose epidemic in Minnesota. The council shall focus on:

(1) prevention and education, including public education and awareness for adults and youth, prescriber education, the development and sustainability of opioid overdose prevention and education programs, the role of adult protective services in prevention and response, and providing financial support to local law enforcement agencies for opiate antagonist programs;

(2) training on the treatment of opioid addiction, including the use of all Food and Drug Administration approved opioid addiction medications, detoxification, relapse prevention, patient assessment, individual treatment planning, counseling, recovery supports, diversion control, and other best practices;

(3) the expansion and enhancement of a continuum of care for opioid-related substance use disorders, including primary prevention, early intervention, treatment, recovery, and aftercare services; and

(4) the development of measures to assess and protect the ability of cancer patients and survivors, persons battling life-threatening illnesses, persons suffering from severe chronic pain, and persons at the end stages of life, who legitimately need prescription pain medications, to maintain their quality of life by accessing these pain medications without facing unnecessary barriers. The measures must also address the needs of individuals described in this clause who are elderly or who reside in underserved or rural areas of the state.

(b) The council shall:

(1) review local, state, and federal initiatives and activities related to education, prevention, treatment, and services for individuals and families experiencing and affected by opioid use disorder;

(2) establish priorities to address the state's opioid epidemic, for the purpose of recommending initiatives to fund;

(3) recommend to the commissioner of human services specific projects and initiatives to be funded;

(4) ensure that available funding is allocated to align with other state and federal funding, to achieve the greatest impact and ensure a coordinated state effort;

(5) consult with the commissioners of human services, health, and management and budget to develop measurable outcomes to determine the effectiveness of funds allocated;

(6) develop recommendations for an administrative and organizational framework for the allocation, on a sustainable and ongoing basis, of any money deposited into the separate account under section 16A.151, subdivision 2, paragraph (f), in order to address the opioid abuse and overdose epidemic in Minnesota and the areas of focus specified in paragraph (a);

(7) review reports, data, and performance measures submitted by municipalities under subdivision 5; ~~and~~

(8) consult with relevant stakeholders, including lead agencies and municipalities, to review and provide recommendations for necessary revisions to the reporting requirements under subdivision 5 to ensure that the required reporting accurately measures progress in addressing the harms of the opioid epidemic; and

(9) meet with each of the 11 federally recognized Minnesota Tribal Nations individually on an annual basis in order to collaborate and communicate on shared issues and priorities.

(c) The council, in consultation with the commissioner of management and budget, and within available appropriations, shall select from projects awarded grants under section 256.043, subdivisions 3 and 3a, and municipality projects funded by direct payments received as part of a statewide opioid settlement agreement, that include promising practices or theory-based activities for which the commissioner of management and budget shall conduct evaluations using experimental or quasi-experimental design. Grant proposals and municipality projects that include promising practices or theory-based activities and are selected for an evaluation shall be administered to support the experimental or quasi-experimental evaluation. Grantees and municipalities shall collect and report information that is needed to complete the evaluation. The commissioner of management and budget, under section 15.08, may obtain additional relevant data to support the experimental or quasi-experimental evaluation studies.

(d) The council, in consultation with the commissioners of human services, health, public safety, and management and budget, shall establish goals related to addressing the opioid epidemic and determine a baseline against which progress shall be monitored and set measurable outcomes, including benchmarks. The goals established must include goals for prevention and public health, access to treatment, and multigenerational impacts. The council shall use existing measures and data collection systems to determine baseline data against which progress shall be measured. The council shall include the proposed goals, the measurable outcomes, and proposed benchmarks to meet these goals in its initial report to the legislature under subdivision 5, paragraph (a), due January 31, 2021.

Sec. 9. Minnesota Statutes 2022, section 256.042, subdivision 2, is amended to read:

Subd. 2. **Membership.** (a) The council shall consist of the following ~~19~~ 20 voting members, appointed by the commissioner of human services except as otherwise specified, and three nonvoting members:

(1) two members of the house of representatives, appointed in the following sequence: the first from the majority party appointed by the speaker of the house and the second from the minority party appointed by the minority leader. Of these two members, one member must represent a district outside of the seven-county metropolitan area, and one member must represent a district that includes

the seven-county metropolitan area. The appointment by the minority leader must ensure that this requirement for geographic diversity in appointments is met;

(2) two members of the senate, appointed in the following sequence: the first from the majority party appointed by the senate majority leader and the second from the minority party appointed by the senate minority leader. Of these two members, one member must represent a district outside of the seven-county metropolitan area and one member must represent a district that includes the seven-county metropolitan area. The appointment by the minority leader must ensure that this requirement for geographic diversity in appointments is met;

(3) one member appointed by the Board of Pharmacy;

(4) one member who is a physician appointed by the Minnesota Medical Association;

(5) one member representing opioid treatment programs, sober living programs, or substance use disorder programs licensed under chapter 245G;

(6) one member appointed by the Minnesota Society of Addiction Medicine who is an addiction psychiatrist;

(7) one member representing professionals providing alternative pain management therapies, including, but not limited to, acupuncture, chiropractic, or massage therapy;

(8) one member representing nonprofit organizations conducting initiatives to address the opioid epidemic, with the commissioner's initial appointment being a member representing the Steve Rumlmer Hope Network, and subsequent appointments representing this or other organizations;

(9) one member appointed by the Minnesota Ambulance Association who is serving with an ambulance service as an emergency medical technician, advanced emergency medical technician, or paramedic;

(10) one member representing the Minnesota courts who is a judge or law enforcement officer;

(11) one public member who is a Minnesota resident and who is in opioid addiction recovery;

(12) two members representing Indian tribes, one representing the Ojibwe tribes and one representing the Dakota tribes;

(13) one member representing an urban American Indian community;

~~(13)~~ (14) one public member who is a Minnesota resident and who is suffering from chronic pain, intractable pain, or a rare disease or condition;

~~(14)~~ (15) one mental health advocate representing persons with mental illness;

~~(15)~~ (16) one member appointed by the Minnesota Hospital Association;

~~(16)~~ (17) one member representing a local health department; and

~~(17)~~ (18) the commissioners of human services, health, and corrections, or their designees, who shall be ex officio nonvoting members of the council.

(b) The commissioner of human services shall coordinate the commissioner's appointments to provide geographic, racial, and gender diversity, and shall ensure that at least ~~one-half~~ one-third of council members appointed by the commissioner reside outside of the seven-county metropolitan area. Of the members appointed by the commissioner, to the extent practicable, at least one member must represent a community of color disproportionately affected by the opioid epidemic.

(c) The council is governed by section 15.059, except that members of the council shall serve three-year terms and shall receive no compensation other than reimbursement for expenses. Notwithstanding section 15.059, subdivision 6, the council shall not expire.

(d) The chair shall convene the council at least quarterly, and may convene other meetings as necessary. The chair shall convene meetings at different locations in the state to provide geographic access, and shall ensure that at least one-half of the meetings are held at locations outside of the seven-county metropolitan area.

(e) The commissioner of human services shall provide staff and administrative services for the advisory council.

(f) The council is subject to chapter 13D.

Sec. 10. Minnesota Statutes 2022, section 256.043, subdivision 3, is amended to read:

Subd. 3. **Appropriations from registration and license fee account.** (a) The appropriations in paragraphs (b) to ~~(h)~~ (n) shall be made from the registration and license fee account on a fiscal year basis in the order specified.

(b) The appropriations specified in Laws 2019, chapter 63, article 3, section 1, paragraphs (b), (f), (g), and (h), as amended by Laws 2020, chapter 115, article 3, section 35, shall be made accordingly.

(c) \$100,000 is appropriated to the commissioner of human services for grants for opiate antagonist distribution. Grantees may utilize funds for opioid overdose prevention, community asset mapping, education, and opiate antagonist distribution.

(d) \$2,000,000 is appropriated to the commissioner of human services for grants to Tribal nations and five urban Indian communities for traditional healing practices for American Indians and to increase the capacity of culturally specific providers in the behavioral health workforce.

(e) \$400,000 is appropriated to the commissioner of human services for competitive grants for opioid-focused Project ECHO programs.

(f) \$277,000 in fiscal year 2024 and \$321,000 each year thereafter is appropriated to the commissioner of human services to administer the funding distribution and reporting requirements in paragraph (o).

(g) \$3,000,000 in fiscal year 2025 and \$3,000,000 each year thereafter is appropriated to the commissioner of human services for safe recovery sites start-up and capacity building grants under section 254B.18.

(h) \$395,000 in fiscal year 2024 and \$415,000 each year thereafter is appropriated to the commissioner of human services for the opioid overdose surge alert system under section 245.891.

~~(e)~~ (i) \$300,000 is appropriated to the commissioner of management and budget for evaluation activities under section 256.042, subdivision 1, paragraph (c).

~~(d)~~ (j) \$249,000– \$261,000 is appropriated to the commissioner of human services for the provision of administrative services to the Opiate Epidemic Response Advisory Council and for the administration of the grants awarded under paragraph ~~(h)~~ (n).

~~(e)~~ (k) \$126,000 is appropriated to the Board of Pharmacy for the collection of the registration fees under section 151.066.

~~(f)~~ (l) \$672,000 is appropriated to the commissioner of public safety for the Bureau of Criminal Apprehension. Of this amount, \$384,000 is for drug scientists and lab supplies and \$288,000 is for special agent positions focused on drug interdiction and drug trafficking.

~~(g)~~ (m) After the appropriations in paragraphs (b) to ~~(f)~~ (l) are made, 50 percent of the remaining amount is appropriated to the commissioner of human services for distribution to county social service agencies and Tribal social service agency initiative projects authorized under section 256.01, subdivision 14b, to provide child protection services to children and families who are affected by addiction. The commissioner shall distribute this money proportionally to county social service agencies and Tribal social service agency initiative projects based on out-of-home placement episodes where parental drug abuse is the primary reason for the out-of-home placement using data from the previous calendar year. County social service agencies and Tribal social service agency initiative projects receiving funds from the opiate epidemic response fund must annually report to the commissioner on how the funds were used to provide child protection services, including measurable outcomes, as determined by the commissioner. County social service agencies and Tribal social service agency initiative projects must not use funds received under this paragraph to supplant current state or local funding received for child protection services for children and families who are affected by addiction.

~~(h)~~ (n) After the appropriations in paragraphs (b) to ~~(g)~~ (m) are made, the remaining amount in the account is appropriated to the commissioner of human services to award grants as specified by the Opiate Epidemic Response Advisory Council in accordance with section 256.042, unless otherwise appropriated by the legislature.

~~(i)~~ (o) Beginning in fiscal year 2022 and each year thereafter, funds for county social service agencies and Tribal social service agency initiative projects under paragraph ~~(g)~~ (m) and grant funds specified by the Opiate Epidemic Response Advisory Council under paragraph ~~(h)~~ (n) may be distributed on a calendar year basis.

(p) Notwithstanding section 16A.28, subdivision 3, funds appropriated in paragraphs (c), (d), (e), (g), (m), and (n) are available for three years after the funds are appropriated.

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

Sec. 11. Minnesota Statutes 2022, section 256.043, subdivision 3a, is amended to read:

Subd. 3a. **Appropriations from settlement account.** (a) The appropriations in paragraphs (b) to (e) shall be made from the settlement account on a fiscal year basis in the order specified.

(b) If the balance in the registration and license fee account is not sufficient to fully fund the appropriations specified in subdivision 3, paragraphs (b) to ~~(f)~~ (l), an amount necessary to meet any insufficiency shall be transferred from the settlement account to the registration and license fee account to fully fund the required appropriations.

(c) \$209,000 in fiscal year 2023 and \$239,000 in fiscal year 2024 and subsequent fiscal years are appropriated to the commissioner of human services for the administration of grants awarded under paragraph (e). \$276,000 in fiscal year 2023 and \$151,000 in fiscal year 2024 and subsequent fiscal years are appropriated to the commissioner of human services to collect, collate, and report data submitted and to monitor compliance with reporting and settlement expenditure requirements by grantees awarded grants under this section and municipalities receiving direct payments from a statewide opioid settlement agreement as defined in section 256.042, subdivision 6.

(d) After any appropriations necessary under paragraphs (b) and (c) are made, an amount equal to the calendar year allocation to Tribal social service agency initiative projects under subdivision 3, paragraph ~~(g)~~ (m), is appropriated from the settlement account to the commissioner of human services for distribution to Tribal social service agency initiative projects to provide child protection services to children and families who are affected by addiction. The requirements related to proportional distribution, annual reporting, and maintenance of effort specified in subdivision 3, paragraph ~~(g)~~ (m), also apply to the appropriations made under this paragraph.

(e) After making the appropriations in paragraphs (b), (c), and (d), the remaining amount in the account is appropriated to the commissioner of human services to award grants as specified by the Opiate Epidemic Response Advisory Council in accordance with section 256.042.

(f) Funds for Tribal social service agency initiative projects under paragraph (d) and grant funds specified by the Opiate Epidemic Response Advisory Council under paragraph (e) may be distributed on a calendar year basis.

(g) Notwithstanding section 16A.28, subdivision 3, funds appropriated in paragraphs (d) and (e) are available for three years after the funds are appropriated.

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

Sec. 12. **[256I.052] OPIATE ANTAGONISTS.**

(a) Site-based or group housing support settings must maintain a supply of opiate antagonists as defined in section 604A.04, subdivision 1, at each housing site to be administered in compliance with section 151.37, subdivision 12.

(b) Each site must have at least two doses of an opiate antagonist on site.

(c) Staff on site must have training on how and when to administer opiate antagonists.

Sec. 13. Laws 2019, chapter 63, article 3, section 1, as amended by Laws 2020, chapter 115, article 3, section 35, and Laws 2022, chapter 53, section 12, is amended to read:

Section 1. **APPROPRIATIONS.**

(a) **Board of Pharmacy; administration.** \$244,000 in fiscal year 2020 is appropriated from the general fund to the Board of Pharmacy for onetime information technology and operating costs for administration of licensing activities under Minnesota Statutes, section 151.066. This is a onetime appropriation.

(b) **Commissioner of human services; administration.** \$309,000 in fiscal year 2020 is appropriated from the general fund and \$60,000 in fiscal year 2021 is appropriated from the opiate epidemic response fund to the commissioner of human services for the provision of administrative services to the Opiate Epidemic Response Advisory Council and for the administration of the grants awarded under paragraphs (f), (g), and (h). The opiate epidemic response fund base for this appropriation is \$60,000 in fiscal year 2022, \$60,000 in fiscal year 2023, \$60,000 in fiscal year 2024, and \$0 in fiscal year 2025 .

(c) **Board of Pharmacy; administration.** \$126,000 in fiscal year 2020 is appropriated from the general fund to the Board of Pharmacy for the collection of the registration fees under section 151.066.

(d) **Commissioner of public safety; enforcement activities.** \$672,000 in fiscal year 2020 is appropriated from the general fund to the commissioner of public safety for the Bureau of Criminal Apprehension. Of this amount, \$384,000 is for drug scientists and lab supplies and \$288,000 is for special agent positions focused on drug interdiction and drug trafficking.

(e) **Commissioner of management and budget; evaluation activities.** \$300,000 in fiscal year 2020 is appropriated from the general fund and \$300,000 in fiscal year 2021 is appropriated from the opiate epidemic response fund to the commissioner of management and budget for evaluation activities under Minnesota Statutes, section 256.042, subdivision 1, paragraph (c).

(f) **Commissioner of human services; grants for Project ECHO.** \$400,000 in fiscal year 2020 is appropriated from the general fund and \$400,000 in fiscal year 2021 is appropriated from the opiate epidemic response fund to the commissioner of human services for grants of \$200,000 to CHI St. Gabriel's Health Family Medical Center for the opioid-focused Project ECHO program and \$200,000 to Hennepin Health Care for the opioid-focused Project ECHO program. The opiate epidemic response fund base for this appropriation is \$400,000 in fiscal year 2022, \$400,000 in fiscal year 2023, ~~\$400,000 in fiscal year 2024~~, and \$0 in fiscal year ~~2025~~ 2024.

(g) **Commissioner of human services; opioid overdose prevention grant.** \$100,000 in fiscal year 2020 is appropriated from the general fund and \$100,000 in fiscal year 2021 is appropriated from the opiate epidemic response fund to the commissioner of human services for a grant to a nonprofit organization that has provided overdose prevention programs to the public in at least 60 counties within the state, for at least three years, has received federal funding before January 1, 2019, and is dedicated to addressing the opioid epidemic. The grant must be used for opioid overdose prevention, community asset mapping, education, and overdose antagonist distribution. The opiate epidemic response fund base for this appropriation is \$100,000 in fiscal year 2022, \$100,000 in fiscal year 2023, ~~\$100,000 in fiscal year 2024~~, and \$0 in fiscal year ~~2025~~ 2024.

(h) **Commissioner of human services; traditional healing.** \$2,000,000 in fiscal year 2020 is appropriated from the general fund and \$2,000,000 in fiscal year 2021 is appropriated from the opiate epidemic response fund to the commissioner of human services to award grants to Tribal nations and five urban Indian communities for traditional healing practices to American Indians and to increase the capacity of culturally specific providers in the behavioral health workforce. The opiate epidemic response fund base for this appropriation is \$2,000,000 in fiscal year 2022, \$2,000,000 in fiscal year 2023, ~~\$2,000,000 in fiscal year 2024~~, and \$0 in fiscal year ~~2025~~ 2024.

(i) **Board of Dentistry; continuing education.** \$11,000 in fiscal year 2020 is appropriated from the state government special revenue fund to the Board of Dentistry to implement the continuing education requirements under Minnesota Statutes, section 214.12, subdivision 6.

(j) **Board of Medical Practice; continuing education.** \$17,000 in fiscal year 2020 is appropriated from the state government special revenue fund to the Board of Medical Practice to implement the continuing education requirements under Minnesota Statutes, section 214.12, subdivision 6.

(k) **Board of Nursing; continuing education.** \$17,000 in fiscal year 2020 is appropriated from the state government special revenue fund to the Board of Nursing to implement the continuing education requirements under Minnesota Statutes, section 214.12, subdivision 6.

(l) **Board of Optometry; continuing education.** \$5,000 in fiscal year 2020 is appropriated from the state government special revenue fund to the Board of Optometry to implement the continuing education requirements under Minnesota Statutes, section 214.12, subdivision 6.

(m) **Board of Podiatric Medicine; continuing education.** \$5,000 in fiscal year 2020 is appropriated from the state government special revenue fund to the Board of Podiatric Medicine to implement the continuing education requirements under Minnesota Statutes, section 214.12, subdivision 6.

(n) **Commissioner of health; nonnarcotic pain management and wellness.** \$1,250,000 is appropriated in fiscal year 2020 from the general fund to the commissioner of health, to provide funding for:

(1) statewide mapping and assessment of community-based nonnarcotic pain management and wellness resources; and

(2) up to five demonstration projects in different geographic areas of the state to provide community-based nonnarcotic pain management and wellness resources to patients and consumers.

The demonstration projects must include an evaluation component and scalability analysis. The commissioner shall award the grant for the statewide mapping and assessment, and the demonstration project grants, through a competitive request for proposal process. Grants for statewide mapping and assessment and demonstration projects may be awarded simultaneously. In awarding demonstration project grants, the commissioner shall give preference to proposals that incorporate innovative community partnerships, are informed and led by people in the community where the project is taking place, and are culturally relevant and delivered by culturally competent providers. This is a onetime appropriation.

(o) **Commissioner of health; administration.** \$38,000 in fiscal year 2020 is appropriated from the general fund to the commissioner of health for the administration of the grants awarded in paragraph (n).

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

Sec. 14. **PUBLIC AWARENESS CAMPAIGN.**

(a) The commissioner of human services must establish a multitiered public awareness and educational campaign on substance use disorders. The campaign must include strategies to prevent substance use disorder, reduce stigma, and ensure people know how to access treatment, recovery, and harm reduction services.

(b) The commissioner must consult with communities disproportionately impacted by substance use disorder to ensure the campaign focuses on lived experience and equity. The commissioner may also consult and establish relationships with media and communication experts, behavioral health professionals, state and local agencies, and community organizations to design and implement the campaign.

(c) The campaign must include awareness-raising and educational information using multichannel marketing strategies, social media, virtual events, press releases, reports, and targeted outreach. The commissioner must evaluate the effectiveness of the campaign and modify outreach and strategies as needed.

Sec. 15. **HARM REDUCTION AND CULTURALLY SPECIFIC GRANTS.**

(a) The commissioner of human services must establish grants for Tribal Nations or culturally specific organizations to enhance and expand capacity to address the impacts of the opioid epidemic in their respective communities. Grants may be used to purchase and distribute harm reduction supplies, develop organizational capacity, and expand culturally specific services.

(b) Harm reduction grant funds must be used to promote safer practices and reduce the transmission of infectious disease. Allowable expenses include syringes, fentanyl testing supplies, disinfectants, opiate antagonist rescue kits, safe injection kits, safe smoking kits, sharps disposal, wound-care supplies, medication lock boxes, FDA-approved home testing kits for viral hepatitis and HIV, written educational and resource materials, and other supplies approved by the commissioner.

(c) Culturally specific organizational capacity grant funds must be used to develop and improve organizational infrastructure to increase access to culturally specific services and community building. Allowable expenses include funds for organizations to hire staff or consultants who specialize in fundraising, grant writing, business development, and program integrity or other identified organizational needs as approved by the commissioner.

(d) Culturally specific service grant funds must be used to expand culturally specific outreach and services. Allowable expenses include hiring or consulting with cultural advisors, resources to support cultural traditions, and education to empower individuals and providers, develop a sense of community, and develop a connection to ancestral roots.

(e) Opiate antagonist training grant funds may be used to provide information and training on safe storage and use of opiate antagonists. Training may be conducted via multiple modalities, including but not limited to in-person, virtual, written, and video recordings.

ARTICLE 6

OPIOID PRESCRIBING IMPROVEMENT PROGRAM

Section 1. Minnesota Statutes 2022, section 256B.0638, subdivision 1, is amended to read:

Subdivision 1. **Program established.** The commissioner of human services, in conjunction with the commissioner of health, shall coordinate and implement an opioid prescribing improvement program to reduce opioid dependency and substance use by Minnesotans due to the prescribing of opioid analgesics by health care providers and to support patient-centered, compassionate care for Minnesotans who require treatment with opioid analgesics.

Sec. 2. Minnesota Statutes 2022, section 256B.0638, subdivision 2, is amended to read:

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

(b) "Commissioner" means the commissioner of human services.

(c) "Commissioners" means the commissioner of human services and the commissioner of health.

(d) "DEA" means the United States Drug Enforcement Administration.

(e) "Minnesota health care program" means a public health care program administered by the commissioner of human services under this chapter and chapter 256L, and the Minnesota restricted recipient program.

(f) "Opioid disenrollment standards" means parameters of opioid prescribing practices that fall outside community standard thresholds for prescribing to such a degree that a provider must be disenrolled as a ~~medical assistance~~ Minnesota health care program provider.

(g) "Opioid prescriber" means a licensed health care provider who prescribes opioids to ~~medical assistance~~ Minnesota health care program and MinnesotaCare enrollees under the fee-for-service system or under a managed care or county-based purchasing plan.

(h) "Opioid quality improvement standard thresholds" means parameters of opioid prescribing practices that fall outside community standards for prescribing to such a degree that quality improvement is required.

(i) "Program" means the statewide opioid prescribing improvement program established under this section.

(j) "Provider group" means a clinic, hospital, or primary or specialty practice group that employs, contracts with, or is affiliated with an opioid prescriber. Provider group does not include a professional association supported by dues-paying members.

(k) "Sentinel measures" means measures of opioid use that identify variations in prescribing practices during the prescribing intervals.

Sec. 3. Minnesota Statutes 2022, section 256B.0638, subdivision 4, is amended to read:

Subd. 4. **Program components.** (a) The working group shall recommend to the commissioners the components of the statewide opioid prescribing improvement program, including, but not limited to, the following:

(1) developing criteria for opioid prescribing protocols, including:

(i) prescribing for the interval of up to four days immediately after an acute painful event;

(ii) prescribing for the interval of up to 45 days after an acute painful event; and

(iii) prescribing for chronic pain, which for purposes of this program means pain lasting longer than 45 days after an acute painful event;

(2) developing sentinel measures;

(3) developing educational resources for opioid prescribers about communicating with patients about pain management and the use of opioids to treat pain;

(4) developing opioid quality improvement standard thresholds and opioid disenrollment standards for opioid prescribers and provider groups. In developing opioid disenrollment standards, the standards may be described in terms of the length of time in which prescribing practices fall outside community standards and the nature and amount of opioid prescribing that fall outside community standards; and

(5) addressing other program issues as determined by the commissioners.

(b) The opioid prescribing protocols shall not apply to opioids prescribed for patients who are experiencing pain caused by a malignant condition or who are receiving hospice care or palliative care, or to opioids prescribed for substance use disorder treatment with medications for opioid use disorder.

(c) All opioid prescribers who prescribe opioids to Minnesota health care program enrollees must participate in the program in accordance with subdivision 5. Any other prescriber who prescribes opioids may comply with the components of this program described in paragraph (a) on a voluntary basis.

Sec. 4. Minnesota Statutes 2022, section 256B.0638, subdivision 5, is amended to read:

Subd. 5. **Program implementation.** (a) The commissioner shall implement the ~~programs within the Minnesota health care~~ quality improvement program to improve the health of and quality of care provided to Minnesota health care program enrollees. The program must be designed to support patient-centered care consistent with community standards of care. The program must discourage unsafe tapering practices and patient abandonment by providers. The commissioner shall annually collect and report to provider groups the sentinel measures of data showing individual opioid

prescribers' opioid prescribing patterns compared to their anonymized peers. Provider groups shall distribute data to their affiliated, contracted, or employed opioid prescribers.

(b) The commissioner shall notify an opioid prescriber and all provider groups with which the opioid prescriber is employed or affiliated when the opioid prescriber's prescribing pattern exceeds the opioid quality improvement standard thresholds. An opioid prescriber and any provider group that receives a notice under this paragraph shall submit to the commissioner a quality improvement plan for review and approval by the commissioner with the goal of bringing the opioid prescriber's prescribing practices into alignment with community standards. A quality improvement plan must include:

(1) components of the program described in subdivision 4, paragraph (a);

(2) internal practice-based measures to review the prescribing practice of the opioid prescriber and, where appropriate, any other opioid prescribers employed by or affiliated with any of the provider groups with which the opioid prescriber is employed or affiliated; and

(3) appropriate use of the prescription monitoring program under section 152.126 demonstration of patient-centered care consistent with community standards of care.

(c) If, after a year from the commissioner's notice under paragraph (b), the opioid prescriber's prescribing practices for treatment of acute or postacute pain do not improve so that they are consistent with community standards, the commissioner ~~shall~~ may take one or more of the following steps:

(1) require the prescriber, the provider group, or both, to monitor prescribing practices more frequently than annually;

(2) monitor more aspects of the opioid prescriber's prescribing practices than the sentinel measures; or

(3) require the opioid prescriber to participate in additional quality improvement efforts, including but not limited to mandatory use of the prescription monitoring program established under section 152.126.

(d) Prescribers treating patients who are on chronic, high doses of opioids must meet community standards of care, including performing regular assessments and addressing unwarranted risks of opioid prescribing, but are not required to show measurable changes in chronic pain prescribing thresholds within a certain period.

(e) The commissioner shall dismiss a prescriber from participating in the opioid prescribing quality improvement program on an annual basis when the prescriber demonstrates that the prescriber's practices are patient-centered and reflect community standards for safe and compassionate treatment of patients experiencing pain.

~~(d)~~ (f) The commissioner shall terminate from Minnesota health care programs may investigate for possible disenrollment all opioid prescribers and provider groups whose prescribing practices fall within the applicable opioid disenrollment standards.

(e) (g) No physician, advanced practice registered nurse, or physician assistant, acting in good faith based on the needs of the patient, may be disenrolled by the commissioner of human services solely for prescribing a dosage that equates to an upward deviation from morphine milligram equivalent dosage recommendations specified in state or federal opioid prescribing guidelines or policies, or quality improvement thresholds established under this section.

Sec. 5. Minnesota Statutes 2022, section 256B.0638, is amended by adding a subdivision to read:

Subd. 6a. **Waiver for certain provider groups.** (a) This section does not apply to prescribers employed by, or under contract or affiliated with, a provider group for which the commissioner has granted a waiver from the requirements of this section.

(b) The commissioner, in consultation with opioid prescribers, shall develop waiver criteria for provider groups, and shall make waivers available beginning July 1, 2023. In granting waivers, the commissioner shall consider whether the medical director of the provider group and a majority of the practitioners within a provider group have specialty training, fellowship training, or experience in treating chronic pain. Waivers under this subdivision must be granted on an annual basis.

Sec. 6. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; OPIOID PRESCRIBING IMPROVEMENT PROGRAM SUNSET.

The commissioner of human services shall recommend criteria to provide for a sunset of the opioid prescribing improvement program under Minnesota Statutes, section 256B.0638. In developing sunset criteria, the commissioner shall consult with stakeholders including but not limited to the Minnesota Medical Association, the Minnesota Society of Interventional Pain Physicians, clinicians that practice pain management, addiction medicine, or mental health, and either current or former Minnesota health care program enrollees who use or have used opioid therapy to manage chronic pain. By January 15, 2024, the commissioner shall submit recommended criteria to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance and policy. The opioid prescribing improvement program shall expire when the recommended criteria developed according to this section are met, or on December 31, 2024, whichever is sooner.

ARTICLE 7

LICENSING

Section 1. Minnesota Statutes 2022, section 245A.04, subdivision 7, is amended to read:

Subd. 7. **Grant of license; license extension.** (a) If the commissioner determines that the program complies with all applicable rules and laws, the commissioner shall issue a license consistent with this section or, if applicable, a temporary change of ownership license under section 245A.043. At minimum, the license shall state:

- (1) the name of the license holder;
- (2) the address of the program;

- (3) the effective date and expiration date of the license;
- (4) the type of license;
- (5) the maximum number and ages of persons that may receive services from the program; and
- (6) any special conditions of licensure.

(b) The commissioner may issue a license for a period not to exceed two years if:

(1) the commissioner is unable to conduct the evaluation or observation required by subdivision 4, paragraph (a), clause (4), because the program is not yet operational;

(2) certain records and documents are not available because persons are not yet receiving services from the program; and

(3) the applicant complies with applicable laws and rules in all other respects.

(c) A decision by the commissioner to issue a license does not guarantee that any person or persons will be placed or cared for in the licensed program.

(d) Except as provided in paragraphs ~~(f) and (g)~~ (i) and (j), the commissioner shall not issue ~~or~~ reissue a license if the applicant, license holder, or an affiliated controlling individual has:

(1) been disqualified and the disqualification was not set aside and no variance has been granted;

(2) been denied a license under this chapter, within the past two years;

(3) had a license issued under this chapter revoked within the past five years; or

~~(4) an outstanding debt related to a license fee, licensing fine, or settlement agreement for which payment is delinquent; or~~

~~(5)~~ (4) failed to submit the information required of an applicant under subdivision 1, paragraph (f) or (g), after being requested by the commissioner.

When a license issued under this chapter is revoked ~~under clause (1) or (3)~~, the license holder and each affiliated controlling individual with a revoked license may not hold any license under chapter 245A for five years following the revocation, and other licenses held by the applicant; or license holder; or licenses affiliated with each controlling individual shall also be revoked.

(e) Notwithstanding paragraph (d), the commissioner may elect not to revoke a license affiliated with a license holder or controlling individual that had a license revoked within the past five years if the commissioner determines that (1) the license holder or controlling individual is operating the program in substantial compliance with applicable laws and rules, and (2) the program's continued operation is in the best interests of the community being served.

(f) Notwithstanding paragraph (d), the commissioner may issue a new license in response to an application that is affiliated with an applicant, license holder, or controlling individual that had an application denied within the past two years or a license revoked within the past five years if the

commissioner determines that (1) the applicant or controlling individual has operated one or more programs in substantial compliance with applicable laws and rules, and (2) the program's operation would be in the best interests of the community to be served.

(g) In determining whether a program's operation would be in the best interests of the community to be served, the commissioner shall consider factors such as the number of persons served, the availability of alternative services available in the surrounding community, the management structure of the program, whether the program provides culturally specific services, and other relevant factors.

~~(e)~~ (h) The commissioner shall not issue or reissue a license under this chapter if an individual living in the household where the services will be provided as specified under section 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside and no variance has been granted.

~~(f)~~ (i) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued under this chapter has been suspended or revoked and the suspension or revocation is under appeal, the program may continue to operate pending a final order from the commissioner. If the license under suspension or revocation will expire before a final order is issued, a temporary provisional license may be issued provided any applicable license fee is paid before the temporary provisional license is issued.

~~(g)~~ (j) Notwithstanding paragraph ~~(f)~~ (i), when a revocation is based on the disqualification of a controlling individual or license holder, and the controlling individual or license holder is ordered under section 245C.17 to be immediately removed from direct contact with persons receiving services or is ordered to be under continuous, direct supervision when providing direct contact services, the program may continue to operate only if the program complies with the order and submits documentation demonstrating compliance with the order. If the disqualified individual fails to submit a timely request for reconsideration, or if the disqualification is not set aside and no variance is granted, the order to immediately remove the individual from direct contact or to be under continuous, direct supervision remains in effect pending the outcome of a hearing and final order from the commissioner.

~~(h)~~ (k) For purposes of reimbursement for meals only, under the Child and Adult Care Food Program, Code of Federal Regulations, title 7, subtitle B, chapter II, subchapter A, part 226, relocation within the same county by a licensed family day care provider, shall be considered an extension of the license for a period of no more than 30 calendar days or until the new license is issued, whichever occurs first, provided the county agency has determined the family day care provider meets licensure requirements at the new location.

~~(i)~~ (l) Unless otherwise specified by statute, all licenses issued under this chapter expire at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must apply for and be granted a new license to operate the program or the program must not be operated after the expiration date.

~~(j)~~ (m) The commissioner shall not issue or reissue a license under this chapter if it has been determined that a tribal licensing authority has established jurisdiction to license the program or service.

Sec. 2. Minnesota Statutes 2022, section 245A.07, is amended by adding a subdivision to read:

Subd. 2b. **Immediate suspension of residential programs.** For suspensions issued to a licensed residential program as defined in section 245A.02, subdivision 14, the effective date of the order may be delayed for up to 30 calendar days to provide for the continuity of care of service recipients. The license holder must cooperate with the commissioner to ensure service recipients receive continued care during the period of the delay and to facilitate the transition of service recipients to new providers. In these cases, the suspension order takes effect when all service recipients have been transitioned to a new provider or 30 days after the suspension order was issued, whichever comes first.

Sec. 3. Minnesota Statutes 2022, section 245A.07, is amended by adding a subdivision to read:

Subd. 2c. **Immediate suspension for programs with multiple licensed service sites.** (a) For license holders that operate more than one service site under a single license, the suspension order must be specific to the service site or sites where the commissioner determines an order is required under subdivision 2. The order must not apply to other service sites operated by the same license holder unless the commissioner has included in the order an articulable basis for applying the order to other service sites.

(b) If the commissioner has issued more than one license to the license holder under this chapter, the suspension imposed under this section must be specific to the license for the program at which the commissioner determines an order is required under subdivision 2. The order must not apply to other licenses held by the same license holder if those programs are being operated in substantial compliance with applicable law and rules.

Sec. 4. Minnesota Statutes 2022, section 245A.10, subdivision 6, is amended to read:

Subd. 6. **License not issued until license or certification fee is paid.** The commissioner shall not issue or reissue a license or certification until the license or certification fee is paid. The commissioner shall send a bill for the license or certification fee to the billing address identified by the license holder. If the license holder does not submit the license or certification fee payment by the due date, the commissioner shall send the license holder a past due notice. If the license holder fails to pay the license or certification fee by the due date on the past due notice, the commissioner shall send a final notice to the license holder informing the license holder that the program license will expire on December 31 unless the license fee is paid before December 31. If a license expires, the program is no longer licensed and, unless exempt from licensure under section 245A.03, subdivision 2, must not operate after the expiration date. After a license expires, if the former license holder wishes to provide licensed services, the former license holder must submit a new license application and application fee under subdivision 3.

Sec. 5. Minnesota Statutes 2022, section 245A.10, is amended by adding a subdivision to read:

Subd. 9. **License not reissued until outstanding debt is paid.** The commissioner shall not reissue a license or certification until the license holder has paid all outstanding debts related to a licensing fine or settlement agreement for which payment is delinquent. If the payment is past due, the commissioner shall send a past due notice informing the license holder that the program license will expire on December 31 unless the outstanding debt is paid before December 31. If a license expires, the program is no longer licensed and must not operate after the expiration date. After a

license expires, if the former license holder wishes to provide licensed services, the former license holder must submit a new license application and application fee under subdivision 3.

Sec. 6. Minnesota Statutes 2022, section 245A.13, subdivision 1, is amended to read:

Subdivision 1. **Application.** (a) In addition to any other remedy provided by law, the commissioner may petition the district court in Ramsey County for an order directing the controlling individuals of a residential or nonresidential program licensed or certified by the commissioner to show cause why the commissioner should not be appointed receiver to operate the program. The petition to the district court must contain proof by affidavit that one or more of the following circumstances exists: (1) that the commissioner has either begun proceedings to suspend or revoke a license or certification, has suspended or revoked a license or certification, or has decided to deny an application for licensure or certification of the program; or (2) it appears to the commissioner that the health, safety, or rights of the residents or persons receiving care from the program may be in jeopardy because of the manner in which the program may close, the program's financial condition, or violations committed by the program of federal or state laws or rules. If the license holder, applicant, or controlling individual operates more than one program, the commissioner's petition must specify and be limited to the program for which it seeks receivership. The affidavit submitted by the commissioner must set forth alternatives to receivership that have been considered, including rate adjustments. The order to show cause is returnable not less than five days after service is completed and must provide for personal service of a copy to the program administrator and to the persons designated as agents by the controlling individuals to accept service on their behalf.

(1) the commissioner has commenced proceedings to suspend or revoke the program's license or refused to renew the program's license;

(2) there is a threat of imminent abandonment by the program or its controlling individuals;

(3) the program has shown a pattern of failure to meet ongoing financial obligations such as failing to pay for food, pharmaceuticals, personnel costs, or required insurance;

(4) the health, safety, or rights of the residents or persons receiving care from the program appear to be in jeopardy due to the manner in which the program may close, the program's financial condition, or violations of federal or state law or rules committed by the program; or

(5) the commissioner has notified the program or its controlling individuals that the program's federal Medicare or Medicaid provider agreement will be terminated, revoked, canceled, or not renewed.

(b) If the license holder, applicant, or controlling individual operates more than one program, the commissioner's petition must specify and be limited to the program for which it seeks receivership.

(c) The order to show cause shall be personally served on the program through its authorized agent or, in the event the authorized agent cannot be located, on any controlling individual for the program.

Sec. 7. Minnesota Statutes 2022, section 245A.13, subdivision 2, is amended to read:

Subd. 2. **Appointment of receiver.** (a) If the court finds that involuntary receivership is necessary as a means of protecting the health, safety, or rights of persons being served by the program, the court shall appoint the commissioner as receiver to operate the program. The commissioner as receiver may contract with another entity or group to act as the managing agent during the receivership period. The managing agent will be responsible for the day-to-day operations of the program subject at all times to the review and approval of the commissioner. A managing agent shall not:

- (1) be the license holder or controlling individual of the program;
- (2) have a financial interest in the program at the time of the receivership;
- (3) be otherwise affiliated with the program; or
- (4) have had a licensed program that has been ordered into receivership.

(b) Notwithstanding state contracting requirements in chapter 16C, the commissioner shall establish and maintain a list of qualified persons or entities with experience in delivering services and with winding down programs under chapter 245A, 245D, or 245G, or other service types licensed by the commissioner. The list shall be a resource for selecting a managing agent, and the commissioner may update the list at any time.

Sec. 8. Minnesota Statutes 2022, section 245A.13, subdivision 3, is amended to read:

Subd. 3. **Powers and duties of receiver.** ~~Within 36 months after the receivership order, the receiver shall provide for the orderly transfer of the persons served by the program to other programs or make other provisions to protect their health, safety, and rights. The receiver or the managing agent shall correct or eliminate deficiencies in the program that the commissioner determines endanger the health, safety, or welfare of the persons being served by the program unless the correction or elimination of deficiencies at a residential program involves major alteration in the structure of the physical plant. If the correction or elimination of the deficiencies at a residential program requires major alterations in the structure of the physical plant, the receiver shall take actions designed to result in the immediate transfer of persons served by the residential program. During the period of the receivership, the receiver and the managing agent shall operate the residential or nonresidential program in a manner designed to preserve the health, safety, rights, adequate care, and supervision of the persons served by the program. The receiver or the managing agent may make contracts and incur lawful expenses. The receiver or the managing agent shall collect incoming payments from all sources and apply them to the cost incurred in the performance of the functions of the receivership including the fee set under subdivision 4. No security interest in any real or personal property comprising the program or contained within it, or in any fixture of the physical plant, shall be impaired or diminished in priority by the receiver or the managing agent. (a) A receiver appointed pursuant to this section shall, within 18 months after the receivership order, determine whether to close the program or to make other provisions with the intent to keep the program open. If the receiver determines that program closure is appropriate, the commissioner shall provide for the orderly transfer of individuals served by the program to other programs or make other provisions to protect the health, safety, and rights of individuals served by the program.~~

(b) During the receivership, the receiver or the managing agent shall correct or eliminate deficiencies in the program that the commissioner determines endanger the health, safety, or welfare of the persons being served by the program unless the correction or elimination of deficiencies at a

residential program involves major alteration in the structure of the physical plant. If the correction or elimination of the deficiencies at a residential program requires major alterations in the structure of the physical plant, the receiver shall take actions designed to result in the immediate transfer of persons served by the residential program. During the period of the receivership, the receiver and the managing agent shall operate the residential or nonresidential program in a manner designed to preserve the health, safety, rights, adequate care, and supervision of the persons served by the program.

(c) The receiver or the managing agent may make contracts and incur lawful expenses.

(d) The receiver or the managing agent shall use the building, fixtures, furnishings, and any accompanying consumable goods in the provision of care and services to the clients during the receivership period. The receiver shall take action as is reasonably necessary to protect or conserve the tangible assets or property during receivership.

(e) The receiver or the managing agent shall collect incoming payments from all sources and apply them to the cost incurred in the performance of the functions of the receivership, including the fee set under subdivision 4. No security interest in any real or personal property comprising the program or contained within it, or in any fixture of the physical plant, shall be impaired or diminished in priority by the receiver or the managing agent.

(f) The receiver has authority to hire, direct, manage, and discharge any employees of the program, including management level staff for the program.

(g) The commissioner, as the receiver appointed by the court, may hire a managing agent to work on the commissioner's behalf to operate the program during the receivership. The managing agent is entitled to a reasonable fee. The receiver and managing agent shall be liable only in an official capacity for injury to persons and property by reason of the conditions of the program. The receiver and managing agent shall not be personally liable, except for gross negligence or intentional acts. The commissioner shall assist the managing agent in carrying out the managing agent's duties.

Sec. 9. Minnesota Statutes 2022, section 245A.13, subdivision 5, is amended to read:

Subd. 5. **Termination.** An involuntary receivership terminates ~~36~~ 18 months after the date on which it was ordered or at any other time designated by the court or when any of the following events occurs:

(1) the commissioner determines that the program's license or certification application should be granted or should not be suspended or revoked;

(2) a new license or certification is granted to the program;

(3) the commissioner determines that all persons residing in a residential program have been provided with alternative residential programs or that all persons receiving services in a nonresidential program have been referred to other programs; or

(4) the court determines that the receivership is no longer necessary because the conditions which gave rise to the receivership no longer exist.

Sec. 10. Minnesota Statutes 2022, section 245A.13, subdivision 6, is amended to read:

Subd. 6. **Emergency procedure.** (a) ~~If it appears from the petition filed under subdivision 1, from an affidavit or affidavits filed with the petition, or from testimony of witnesses under oath if the court determines it necessary, that there is probable cause to believe that an emergency exists in a residential or nonresidential program, the court shall issue a temporary order for appointment of a receiver within five two days after receipt of the petition. Notice of the petition must be served on the program administrator and on the persons designated as agents by the controlling individuals to accept service on their behalf. A hearing on the petition must be held within five days after notice is served unless the administrator or authorized agent consents to a later date. After the hearing, the court may continue, modify, or terminate the temporary order.~~

(b) Notice of the petition must be served on the authorized agent of the program that is subject to the receivership petition or, if the authorized agent is not immediately available for service, on at least one of the controlling individuals for the program. A hearing on the petition must be held within five days after notice is served unless the authorized agent or other controlling individual consents to a later date. After the hearing, the court may continue, modify, or terminate the temporary order.

Sec. 11. Minnesota Statutes 2022, section 245A.13, subdivision 7, is amended to read:

Subd. 7. **Rate recommendation.** For any program receiving Medicaid funds and ordered into receivership, the commissioner of human services may review rates of a residential or nonresidential program participating in the medical assistance program which is in receivership and that has needs or deficiencies documented by the Department of Health or the Department of Human Services. If the commissioner of human services determines that a review of the rate established under sections 256B.5012 and 256B.5013 is needed, the commissioner shall:

(1) review the order or determination that cites the deficiencies or needs; and

(2) determine the need for additional staff, additional annual hours by type of employee, and additional consultants, services, supplies, equipment, repairs, or capital assets necessary to satisfy the needs or deficiencies.

Sec. 12. Minnesota Statutes 2022, section 245A.13, subdivision 9, is amended to read:

Subd. 9. **Receivership accounting.** The commissioner may ~~use~~ adjust Medicaid rates and use Medicaid funds, including but not limited to waiver funds, and the medical assistance account and funds for receivership cash flow, receivership administrative fees, and accounting purposes, to the extent permitted by the state's approved Medicaid plan.

ARTICLE 8

DIRECT CARE AND TREATMENT

Section 1. Minnesota Statutes 2022, section 15.01, is amended to read:

15.01 DEPARTMENTS OF THE STATE.

The following agencies are designated as the departments of the state government: the Department of Administration; the Department of Agriculture; the Department of Commerce; the Department of Corrections; the Department of Direct Care and Treatment; the Department of Education; the Department of Employment and Economic Development; the Department of Health; the Department of Human Rights; the Department of Human Services; the Department of Information Technology Services; the Department of Iron Range Resources and Rehabilitation; the Department of Labor and Industry; the Department of Management and Budget; the Department of Military Affairs; the Department of Natural Resources; the Department of Public Safety; ~~the Department of Human Services~~; the Department of Revenue; the Department of Transportation; the Department of Veterans Affairs; and their successor departments.

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

Sec. 2. Minnesota Statutes 2022, section 15.06, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** This section applies to the following departments or agencies: the Departments of Administration, Agriculture, Commerce, Corrections, Direct Care and Treatment, Education, Employment and Economic Development, Health, Human Rights, Human Services, Labor and Industry, Management and Budget, Natural Resources, Public Safety, ~~Human Services~~, Revenue, Transportation, and Veterans Affairs; the Housing Finance and Pollution Control Agencies; the Office of Commissioner of Iron Range Resources and Rehabilitation; the Department of Information Technology Services; the Bureau of Mediation Services; and their successor departments and agencies. The heads of the foregoing departments or agencies are "commissioners."

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

Sec. 3. Minnesota Statutes 2022, section 43A.08, subdivision 1a, is amended to read:

Subd. 1a. **Additional unclassified positions.** Appointing authorities for the following agencies may designate additional unclassified positions according to this subdivision: the Departments of Administration; Agriculture; Commerce; Corrections; Direct Care and Treatment; Education; Employment and Economic Development; Explore Minnesota Tourism; Management and Budget; Health; Human Rights; Human Services; Labor and Industry; Natural Resources; Public Safety; ~~Human Services~~; Revenue; Transportation; and Veterans Affairs; the Housing Finance and Pollution Control Agencies; the State Lottery; the State Board of Investment; the Office of Administrative Hearings; the Department of Information Technology Services; the Offices of the Attorney General, Secretary of State, and State Auditor; the Minnesota State Colleges and Universities; the Minnesota Office of Higher Education; the Perpich Center for Arts Education; and the Minnesota Zoological Board.

A position designated by an appointing authority according to this subdivision must meet the following standards and criteria:

(1) the designation of the position would not be contrary to other law relating specifically to that agency;

(2) the person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency head's management team;

(3) the duties of the position would involve significant discretion and substantial involvement in the development, interpretation, and implementation of agency policy;

(4) the duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;

(5) there would be a need for the person occupying the position to be accountable to, loyal to, and compatible with, the governor and the agency head, the employing statutory board or commission, or the employing constitutional officer;

(6) the position would be at the level of division or bureau director or assistant to the agency head; and

(7) the commissioner has approved the designation as being consistent with the standards and criteria in this subdivision.

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

Sec. 4. Minnesota Statutes 2022, section 245.037, is amended to read:

245.037 MONEY COLLECTED AS RENT; STATE PROPERTY.

(a) Notwithstanding any law to the contrary, money collected as rent under section 16B.24, subdivision 5, for state property at any of the regional treatment centers or state nursing home facilities administered by the commissioner of human services is dedicated to the regional treatment center or state nursing home from which it is generated. Any balance remaining at the end of the fiscal year shall not cancel and is available until expended.

(b) The commissioner may lease out any buildings or portions of buildings, units, or lands acquired by the department that are not needed for the uses and purposes of the department. Such authority to lease out buildings, units, and lands includes authority to lease to employees of the department, notwithstanding section 16B.24, subdivision 5, paragraph (c). The commissioner may set the prices and terms and conditions for leases under this paragraph, and shall not make any such lease for a term of more than five years. All money received from leases under this paragraph shall be credited to the fund from which the property was acquired or through which the property is being maintained. Money credited for leased property maintenance is appropriated to the commissioner for that purpose.

(c) The commissioner may lease out any buildings or portions of buildings, units, or lands acquired by the department to clients and employees of the department for the provision of community-based services, notwithstanding section 16B.24, subdivision 5, paragraph (c). The commissioner may set the prices and terms and conditions for leases under this paragraph, and shall not make any such lease for a term of more than five years. All money received from leases under this paragraph shall be credited to the fund from which the property was acquired or through which the property is being maintained. Money credited for leased property maintenance is appropriated to the commissioner for that purpose.

Sec. 5. Minnesota Statutes 2022, section 246.54, subdivision 1a, is amended to read:

Subd. 1a. **Anoka-Metro Regional Treatment Center.** (a) A county's payment of the cost of care provided at Anoka-Metro Regional Treatment Center shall be according to the following schedule:

(1) zero percent for the first 30 days;

(2) 20 percent for days 31 and over if the stay is determined to be clinically appropriate for the client; and

(3) 100 percent for each day during the stay, including the day of admission, when the facility determines that it is clinically appropriate for the client to be discharged.

(b) If payments received by the state under sections 246.50 to 246.53 exceed 80 percent of the cost of care for days over 31 for clients who meet the criteria in paragraph (a), clause (2), the county shall be responsible for paying the state only the remaining amount. The county shall not be entitled to reimbursement from the client, the client's estate, or from the client's relatives, except as provided in section 246.53.

(c) Between July 1, 2023, and June 30, 2025, the county is not responsible for the cost of care under paragraph (a), clause (3), for a person who is committed as a person who has a mental illness and is dangerous to the public under section 253B.18 and who is awaiting transfer to another state-operated facility or program. This paragraph expires June 30, 2025.

Sec. 6. Minnesota Statutes 2022, section 246.54, subdivision 1b, is amended to read:

Subd. 1b. **Community behavioral health hospitals.** (a) A county's payment of the cost of care provided at state-operated community-based behavioral health hospitals for adults and children shall be according to the following schedule:

(1) 100 percent for each day during the stay, including the day of admission, when the facility determines that it is clinically appropriate for the client to be discharged; and

(2) the county shall not be entitled to reimbursement from the client, the client's estate, or from the client's relatives, except as provided in section 246.53.

(b) Between July 1, 2023, and June 30, 2025, the county is not responsible for the cost of care under paragraph (a), clause (1), for a person committed as a person who has a mental illness and is dangerous to the public under section 253B.18 and who is awaiting transfer to another state-operated facility or program. This paragraph expires June 30, 2025.

(c) Notwithstanding any law to the contrary, the client is not responsible for payment of the cost of care under this subdivision.

Sec. 7. [246C.01] TITLE.

This chapter may be cited as the "Department of Direct Care & Treatment Act."

Sec. 8. [246C.02] DEPARTMENT OF DIRECT CARE AND TREATMENT; ESTABLISHMENT.

(a) The Department of Direct Care and Treatment is created. An executive board shall head the Department of Direct Care and Treatment. The executive board shall develop and maintain direct care and treatment in a manner consistent with applicable law, including chapters 13, 245, 246, 246B, 252, 253, 253B, 253C, 253D, 254A, 254B, and 256. The Department of Direct Care and Treatment shall provide direct care and treatment services in coordination with counties and other vendors. Direct care and treatment services shall include specialized inpatient programs at secure treatment facilities as defined in sections 253B.02, subdivision 18a, and 253D.02, subdivision 13; community preparation services; regional treatment centers; enterprise services; consultative services; aftercare services; community-based services and programs; transition services; nursing home services; and other services consistent with the mission of the Department of Direct Care and Treatment.

(b) "Community preparation services" means specialized inpatient or outpatient services or programs operated outside of a secure environment but administered by a secure treatment facility.

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

Sec. 9. **[246C.03] TRANSITION OF AUTHORITY; DEVELOPMENT OF A BOARD.**

Subdivision 1. **Authority until board is developed and powers defined.** Upon the effective date of this act, the commissioner of human services shall continue to exercise all authorities and responsibilities under chapters 13, 245, 246, 246B, 252, 253, 253B, 253C, 253D, 254A, 254B, and 256, until legislation is effective that develops the Department of Direct Care and Treatment executive board and defines the responsibilities and powers of the Department of Direct Care and Treatment and its executive board.

Subd. 2. **Development of Department of Direct Care and Treatment Board.** (a) The commissioner of human services shall prepare legislation for introduction during the 2024 legislative session, with input from stakeholders the commissioner deems necessary, proposing legislation for the creation and implementation of the Direct Care and Treatment executive board and defining the responsibilities, powers, and function of the Department of Direct Care and Treatment executive board.

(b) The Department of Direct Care and Treatment executive board shall consist of no more than five members, all appointed by the governor.

(c) An executive board member's qualifications must be appropriate for overseeing a complex behavioral health system, such as experience serving on a hospital or non-profit board, serving as a public sector labor union representative, experience in delivery of behavioral health services or care coordination, or working as a licensed health care provider, in an allied health profession, or in health care administration.

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

Sec. 10. **[246C.04] TRANSFER OF DUTIES.**

(a) Section 15.039 applies to the transfer of duties required by this chapter.

(b) The commissioner of administration, with the governor's approval, shall issue reorganization orders under section 16B.37 as necessary to carry out the transfer of duties required by section 246C.03. The provision of section 16B.37, subdivision 1, stating that transfers under section 16B.37 may only be to an agency that has existed for at least one year does not apply to transfers to an agency created by this chapter.

(c) The initial salary for the health systems chief executive officer of the Department of Direct Care and Treatment is the same as the salary for the health systems chief executive officer of direct care and treatment at the Department of Human Services immediately before July 1, 2024.

Sec. 11. [246C.05] EMPLOYEE PROTECTIONS FOR ESTABLISHING THE NEW DEPARTMENT OF DIRECT CARE AND TREATMENT.

(a) Personnel whose duties relate to the functions assigned to the Department of Direct Care and Treatment executive board in section 246C.03 are transferred to the Department of Direct Care and Treatment effective 30 days after approval by the commissioner of direct care and treatment.

(b) Before the Department of Direct Care and Treatment executive board is appointed, personnel whose duties relate to the functions in this section may be transferred beginning July 1, 2024, with 30 days' notice from the commissioner of management and budget.

(c) The following protections shall apply to employees who are transferred from the Department of Human Services to the Department of Direct Care and Treatment:

(1) No transferred employee shall have their employment status and job classification altered as a result of the transfer.

(2) Transferred employees who were represented by an exclusive representative prior to the transfer shall continue to be represented by the same exclusive representative after the transfer.

(3) The applicable collective bargaining agreements with exclusive representatives shall continue in full force and effect for such transferred employees after the transfer.

(4) The state shall have the obligation to meet and negotiate with the exclusive representatives of the transferred employees about any proposed changes affecting or relating to the transferred employees' terms and conditions of employment to the extent such changes are not addressed in the applicable collective bargaining agreement.

(5) When an employee in a temporary unclassified position is transferred to the Department of Direct Care and Treatment, the total length of time that the employee has served in the appointment shall include all time served in the appointment at the transferring agency and the time served in the appointment at the Department of Direct Care and Treatment. An employee in a temporary unclassified position who was hired by a transferring agency through an open competitive selection process in accordance with a policy enacted by Minnesota Management and Budget shall be considered to have been hired through such process after the transfer.

(6) In the event that the state transfers ownership or control of any of the facilities, services, or operations of the Department of Direct Care and Treatment to another entity, whether private or

public, by subcontracting, sale, assignment, lease, or other transfer, the state shall require as a written condition of such transfer of ownership or control the following provisions:

(i) Employees who perform work in transferred facilities, services, or operations must be offered employment with the entity acquiring ownership or control before the entity offers employment to any individual who was not employed by the transferring agency at the time of the transfer.

(ii) The wage and benefit standards of such transferred employees must not be reduced by the entity acquiring ownership or control through the expiration of the collective bargaining agreement in effect at the time of the transfer or for a period of two years after the transfer, whichever is longer.

(d) There is no liability on the part of, and no cause of action arises against, the state of Minnesota or its officers or agents for any action or inaction of any entity acquiring ownership or control of any facilities, services, or operations of the Department of Direct Care and Treatment.

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

Sec. 12. Minnesota Statutes 2022, section 252.50, subdivision 2, is amended to read:

Subd. 2. **Authorization to build or purchase.** Within the limits of available appropriations, the commissioner may build, purchase, or lease suitable buildings, at least a portion of which must be used for state-operated, community-based programs. The commissioner must develop the state-operated community residential facilities authorized in the worksheets of the house of representatives appropriations and senate finance committees. If financing through state general obligation bonds is not available, the commissioner shall finance the purchase or construction of state-operated, community-based facilities with the Minnesota Housing Finance Agency. The commissioner shall make payments through the Department of Administration to the Minnesota Housing Finance Agency in repayment of mortgage loans granted for the purposes of this section. Programs must be adaptable to the needs of persons with developmental disabilities and residential programs must be homelike.

Sec. 13. **TASK FORCE ON PRIORITY ADMISSIONS TO STATE-OPERATED TREATMENT PROGRAMS.**

Subdivision 1. **Establishment; purpose.** The Task Force on Priority Admissions to State-Operated Treatment Programs is established to evaluate the impact of the requirements for priority admissions under Minnesota Statutes, section 253B.10, subdivision 1, paragraph (b) on:

(1) the Department of Human Services;

(2) individuals referred for admission and care at state-operated treatment programs, including both individuals referred for priority admission under Minnesota Statutes, section 253B.10, subdivision 1, paragraph (b), and individuals not referred according to such priority admissions requirements; and

(3) the mental health system in Minnesota, including community hospitals.

Subd. 2. **Membership.** (a) The task force shall consist of the following members, appointed as follows:

- (1) a member appointed by the governor;
 - (2) the commissioner of human services, or a designee;
 - (3) a member representing Department of Human Services direct care and treatment services who has experience with civil commitments, appointed by the commissioner of human services;
 - (4) the ombudsman for mental health and developmental disabilities;
 - (5) a hospital representative, appointed by the Minnesota Hospital Association;
 - (6) a county representative, appointed by the Association of Minnesota Counties;
 - (7) a county social services representative, appointed by the Minnesota Association of County Social Service Administrators;
 - (8) a member appointed by the Minnesota Civil Commitment Defense Panel;
 - (9) a county attorney, appointed by the Minnesota County Attorneys Association;
 - (10) a county sheriff, appointed by the Minnesota Sheriffs' Association;
 - (11) a member appointed by the Minnesota Psychiatric Society;
 - (12) a member appointed by the Minnesota Association of Community Mental Health Programs;
 - (13) a member appointed by the National Alliance on Mental Illness Minnesota;
 - (14) the Minnesota Attorney General;
 - (15) three individuals from organizations representing racial and ethnic groups that are overrepresented in the criminal justice system, appointed by the commissioner of corrections; and
 - (16) one member of the public with lived experience directly related to the task force's purposes, appointed by the governor.
- (b) Appointments must be made no later than July 15, 2023.
- (c) Member compensation and reimbursement for expenses are governed by Minnesota Statutes, section 15.059, subdivision 3.
- (d) A member of the legislature may not serve as a member of the task force.
- Subd. 3. Officers; meetings.** (a) The commissioner of human services must convene the first meeting of the task force no later than August 1, 2023.
- (b) The Attorney General and the commissioner of human services must serve as co-chairs. The task force may elect other officers as necessary.
- (c) Task force meetings are subject to the Minnesota Open Meeting Law under Minnesota Statutes, chapter 13D.

Subd. 4. **Administrative support.** The commissioner of human services must provide administrative support and staff assistance for the task force.

Subd. 5. **Data usage and privacy.** Any data provided by executive agencies as part of the work and report of the task force is subject to the requirements of the Minnesota Government Data Practices Act under Minnesota Statutes, chapter 13, and all other applicable data privacy laws.

Subd. 6. **Duties.** The task force must:

(1) evaluate the impact of the priority admissions required under Minnesota Statutes, section 253B.10, subdivision 1, paragraph (b), on the ability of the state to serve all individuals in need of care in state-operated treatment programs by analyzing:

(i) the number of individuals admitted to state-operated treatment programs from jails or correctional institutions according to the requirements of Minnesota Statutes, section 253B.10, subdivision 1, paragraph (b), since July 1, 2013;

(ii) the number of individuals currently on waiting lists for admission to state-operated treatment programs;

(iii) the average length of time an individual admitted from a jail or correctional institution waits for a medically appropriate bed in a state-operated treatment program, compared to an individual admitted from another location, such as a community hospital or the individual's home; and

(iv) county-by-county trends over time for priority admissions under Minnesota Statutes, section 253B.10, subdivision 1, paragraph (b);

(2) analyze the impact of the priority admissions required under Minnesota Statutes, section 253B.10, subdivision 1, paragraph (b), on the mental health system statewide, including on community hospitals;

(3) develop policy and funding recommendations for improvements or alternatives to the current priority admissions requirement. Recommendations must ensure that state-operated treatment programs have medical discretion to admit individuals with the highest acuity and who may pose a risk to self and others, regardless of referral path; and

(4) identify and recommend options for providing treatment to individuals referred according to the priority admissions required under Minnesota Statutes, section 253B.10, subdivision 1, paragraph (b), and other individuals in the community who require treatment at state-operated treatment programs.

Subd. 7. **Report.** No later than February 1, 2024, the task force must submit a written report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety and human services that includes recommendations on:

(1) proposals to amend Minnesota Statutes, section 253B.10, subdivision 1, paragraph (b), to improve the priority admissions requirements and process;

(2) ways to ensure that state-operated treatment programs have medical discretion to prioritize the admission of individuals with the most acute clinical and behavioral health needs or who pose a risk to self and others, regardless of referral path;

(3) additional ways to meet the treatment needs of individuals referred to state-operated treatment programs according to the priority admissions required under Minnesota Statutes, section 253B.10, subdivision 1, paragraph (b), and other individuals in the community who require treatment at state-operated treatment programs; and

(4) any other relevant findings, research, or analyses conducted or produced by the task force under subdivision 6.

Subd. 8. **Expiration.** The task force expires June 30, 2024.

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

Sec. 14. **REVISOR INSTRUCTION.**

The revisor of statutes, in consultation with staff from the House Research Department; House Fiscal Analysis; the Office of Senate Counsel, Research and Fiscal Analysis; and the respective departments shall prepare legislation for introduction in the 2024 legislative session proposing the statutory changes necessary to implement the transfers of duties that this article requires.

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

ARTICLE 9

APPROPRIATIONS

Section 1. **HEALTH AND HUMAN SERVICES 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. COMMISSIONER OF HUMAN SERVICES

<u>Subdivision 1. Total Appropriation</u>	\$	<u>6,926,209,000</u>	\$	<u>7,181,099,000</u>
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<u>Appropriations by Fund</u>				
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	2024	2025		
<u>General</u>	6,924,445,000	7,179,297,000		
<u>Health Care Access</u>	31,000	69,000		
<u>Lottery Prize</u>	1,733,000	1,733,000		

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

<u>Subd. 2. Central Office; Operations</u>	24,607,000	17,725,000
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(a) Grant Administration Carryforward.

(1) Of this amount, \$714,000 in fiscal year 2024 is available until June 30, 2027.

(2) Of this amount, \$140,000 in fiscal year 2025 is available until June 30, 2027.

(3) Of this amount, \$640,000 in fiscal year 2024 is available until June 30, 2029.

(b) Base Level Adjustment. The general fund base is increased by \$7,249,000 in fiscal year 2026 and increased by \$6,999,000 in fiscal year 2027.

<u>Subd. 3. Central Office; Children and Families</u>	2,699,000	<u>-0-</u>
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Grant Administration Carryforward. Of this amount, \$2,699,000 in fiscal year 2024 is available until June 30, 2027.

<u>Subd. 4. Central Office; Health Care</u>	2,468,000	3,439,000
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(a) Initial PACE Implementation Funding. \$270,000 in fiscal year 2024 is to complete the initial actuarial and administrative work necessary to recommend a financing mechanism for the operation of PACE under Minnesota Statutes, section 256B.69, subdivision 23, paragraph (e). This is a onetime appropriation and is available until June 30, 2025.

(b) **Base Level Adjustment.** The general fund base is increased by \$3,322,000 in fiscal year 2026 and increased by \$3,322,000 in fiscal year 2027.

Subd. 5. **Central Office; Aging and Disability Services**

40,115,000

11,995,000

(a) **Employment Supports Alignment Study.** \$50,000 in fiscal year 2024 and \$200,000 in fiscal year 2025 are to conduct an interagency employment supports alignment study. The base for this appropriation is \$150,000 in fiscal year 2026 and \$100,000 in fiscal year 2027.

(b) **Case Management Training Curriculum.** \$377,000 in fiscal year 2024 and \$377,000 in fiscal year 2025 are to develop and implement a curriculum and training plan to ensure all lead agency assessors and case managers have the knowledge and skills necessary to fulfill support planning and coordination responsibilities for individuals who use home and community-based disability services and live in own-home settings. This is a onetime appropriation.

(c) **Office of Ombudsperson for Long-Term Care.** \$875,000 in fiscal year 2024 and \$875,000 in fiscal year 2025 are for additional staff and associated direct costs in the Office of Ombudsperson for Long-Term Care.

(d) **Direct Care Services Corps Pilot Project.** \$500,000 in fiscal year 2024 is from the general fund for a grant to the Metropolitan Center for Independent Living for the direct care services corps pilot project. Up to \$25,000 may be used by the Metropolitan Center for Independent Living for administrative costs. This is a onetime appropriation.

(e) **Research on Access to Long-Term Care Services and Financing.** Any unexpended amount of the fiscal year 2023 appropriation

referenced in Laws 2021, First Special Session chapter 7, article 17, section 16, estimated to be \$300,000, is canceled. The amount canceled is appropriated in fiscal year 2024 for the same purpose.

(f) Native American Elder Coordinator. \$441,000 in fiscal year 2024 and \$441,000 in fiscal year 2025 are for the Native American elder coordinator position under Minnesota Statutes, section 256.975, subdivision 6.

(g) Grant Administration Carryforward.

(1) Of this amount, \$8,154,000 in fiscal year 2024 is available until June 30, 2027.

(2) Of this amount, \$1,071,000 in fiscal year 2025 is available until June 30, 2027.

(3) Of this amount, \$19,000,000 in fiscal year 2024 is available until June 30, 2029.

(h) Base Level Adjustment. The general fund base is increased by \$8,189,000 in fiscal year 2026 and increased by \$8,093,000 in fiscal year 2027.

Subd. 6. Central Office; Behavioral Health, Housing, and Deaf and Hard of Hearing Services

9,573,000

4,048,000

(a) Evidence-Based Training for Substance Use Disorder Provider Community. \$150,000 in fiscal year 2024 and \$150,000 in fiscal year 2025 are for provider participation in clinical training for the transition to American Society of Addiction Medicine standards.

(b) Substance Use Disorder Public Awareness Campaign. \$1,584,000 in fiscal year 2024 is to develop and establish a public awareness campaign targeting the stigma of opioid use disorders with the goal of prevention and education of youth on the dangers of opioids and other substance use. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until

June 30, 2027. This is a onetime appropriation.

(c) Evaluation of Recovery Site Grants. \$100,000 in fiscal year 2025 is to provide funding for evaluating the effectiveness of recovery site grant efforts.

(d) Grant Administration Carryforward.

(1) Of this amount, \$3,948,000 in fiscal year 2024 is available until June 30, 2027.

(2) Of this amount, \$1,183,000 in fiscal year 2024 is available until June 30, 2029.

(e) Base Level Adjustment. The general fund base is increased by \$3,759,000 in fiscal year 2026 and increased by \$3,659,000 in fiscal year 2027.

<u>Subd. 7. Forecasted Programs; Housing Support</u>	<u>783,000</u>	<u>1,592,000</u>
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<u>Subd. 8. Forecasted Programs; MinnesotaCare</u>	<u>31,000</u>	<u>69,000</u>
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This appropriation is from the health care access fund.

<u>Subd. 9. Forecasted Programs; Medical Assistance</u>	<u>5,672,632,000</u>	<u>6,347,966,000</u>
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<u>Subd. 10. Forecasted Programs; Alternative Care</u>	<u>48,042,000</u>	<u>53,377,000</u>
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Any money allocated to the alternative care program that is not spent for the purposes indicated does not cancel but must be transferred to the medical assistance account.

<u>Subd. 11. Forecasted Programs; Behavioral Health Fund</u>	<u>96,387,000</u>	<u>98,417,000</u>
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<u>Subd. 12. Grant Programs; Refugee Services Grants</u>	<u>7,000,000</u>	<u>-0-</u>
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New American Legal, Social Services, and Long-Term Care Workforce Grant Program. \$7,000,000 in fiscal year 2024 is for legal and social services grants. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. This is a onetime appropriation.

Subd. 13. Grant Programs; Other Long-Term Care Grants

152,387,000

1,925,000

(a) Provider Capacity Grant for Rural and Underserved Communities. \$17,148,000 in fiscal year 2024 is for provider capacity grants for rural and underserved communities. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. This is a onetime appropriation.

(b) New American Legal, Social Services, and Long-Term Care Grant Program. \$28,316,000 in fiscal year 2024 is for long-term care workforce grants for new Americans. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. This is a onetime appropriation.

(c) Supported Decision Making Programs. \$4,000,000 in fiscal year 2024 is for supported decision making grants. This is a onetime appropriation and is available until June 30, 2025.

(d) Direct Support Professionals Employee-Owned Cooperative Program. \$350,000 in fiscal year 2024 is for a grant to the Metropolitan Consortium of Community Developers for the Direct Support Professionals Employee-Owned Cooperative program. The grantee must use the grant amount for outreach and engagement, managing a screening and selection process, providing one-on-one technical assistance, developing and providing training curricula related to cooperative development and home and community-based waiver services, administration, reporting, and program evaluation. This is a onetime appropriation and is available until June 30, 2025.

(e) Long-Term Services and Supports Workforce Incentive Grants. \$83,560,000 in fiscal year 2024 is for long-term services and supports workforce incentive grants

administered according to Minnesota Statutes, section 256.4764. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2029. This is a onetime appropriation.

(f) **Base Level Adjustment.** The general fund base is \$3,949,000 in fiscal year 2026 and \$3,949,000 in fiscal year 2027. Of these amounts, \$2,024,000 in fiscal year 2026 and \$2,024,000 in fiscal year 2027 are for PCA background study grants.

Subd. 14. **Grant Programs; Aging and Adult Services Grants**

164,626,000

34,795,000

(a) **Vulnerable Adult Act Redesign Phase Two.** \$17,129,000 in fiscal year 2024 is for adult protection grants to counties and Tribes under Minnesota Statutes, section 256M.42. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. The base for this appropriation is \$866,000 in fiscal year 2026 and \$867,000 in fiscal year 2027.

(b) **Caregiver Respite Services Grants.** \$1,800,000 in fiscal year 2025 is for caregiver respite services grants under Minnesota Statutes, section 256.9756. This is a onetime appropriation.

(c) **Live Well at Home Grants.** \$4,575,000 in fiscal year 2024 is for live well at home grants under Minnesota Statutes, section 256.9754, subdivision 3f. This is a onetime appropriation and is available until June 30, 2025.

(d) **Senior Nutrition Program.** \$10,552,000 in fiscal year 2024 is for the senior nutrition program. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. This is a onetime appropriation.

(e) **Age-Friendly Community Grants.** \$3,000,000 in fiscal year 2024 is for the continuation of age-friendly community

grants under Laws 2021, First Special Session chapter 7, article 17, section 8, subdivision 1. Notwithstanding Minnesota Statutes, section 16A.28, this is a onetime appropriation and is available until June 30, 2027.

(f) Age-Friendly Technical Assistance Grants. \$1,725,000 in fiscal year 2024 is for the continuation of age-friendly technical assistance grants under Laws 2021, First Special Session chapter 7, article 17, section 8, subdivision 2. Notwithstanding Minnesota Statutes, section 16A.28, this is a onetime appropriation and is available until June 30, 2027.

(g) Financially Distressed Nursing Facility Loan Program. \$93,200,000 in fiscal year 2024 is for the financially distressed nursing facility loan program under Minnesota Statutes, section 256R.55, and is available as provided therein.

(h) Base Level Adjustment. The general fund base is \$33,861,000 in fiscal year 2026 and \$33,862,000 in fiscal year 2027.

Subd. 15. <u>Deaf and Hard-of-Hearing Grants</u>	<u>2,886,000</u>	<u>2,886,000</u>
Subd. 16. <u>Grant Programs; Disabilities Grants</u>	<u>113,684,000</u>	<u>30,377,000</u>

(a) Temporary Grants for Small Customized Living Providers. \$5,450,000 in fiscal year 2024 is for grants to assist small customized living providers to transition to community residential services licensure or integrated community supports licensure. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. This is a onetime appropriation.

(b) Lead Agency Capacity Building Grants. \$444,000 in fiscal year 2024 and \$2,396,000 in fiscal year 2025 are for grants to assist organizations, counties, and Tribes to build capacity for employment opportunities for people with disabilities. The

base for this appropriation is \$2,413,000 in fiscal year 2026 and \$2,411,000 in fiscal year 2027.

(c) Employment and Technical Assistance Center Grants. \$450,000 in fiscal year 2024 and \$1,800,000 in fiscal year 2025 are for employment and technical assistance grants to assist organizations and employers in promoting a more inclusive workplace for people with disabilities.

(d) Case Management Training Grants. \$37,000 in fiscal year 2024 and \$123,000 in fiscal year 2025 are for grants to provide case management training to organizations and employers to support the state's disability employment supports system. The base for this appropriation is \$45,000 in fiscal year 2026 and \$45,000 in fiscal year 2027.

(e) Self-Directed Bargaining Agreement; Electronic Visit Verification Stipends. \$6,095,000 in fiscal year 2024 is for onetime stipends of \$200 to bargaining members to offset the potential costs related to people using individual devices to access the electronic visit verification system. Of this amount, \$5,600,000 is for stipends and \$495,000 is for administration. This is a onetime appropriation and is available until June 30, 2025.

(f) Self-Directed Collective Bargaining Agreement; Temporary Rate Increase Memorandum of Understanding. \$1,600,000 in fiscal year 2024 is for onetime stipends for individual providers covered by the SEIU collective bargaining agreement based on the memorandum of understanding related to the temporary rate increase in effect between December 1, 2020, and February 7, 2021. Of this amount, \$1,400,000 of the appropriation is for stipends and \$200,000 is for administration. This is a onetime appropriation.

(g) Self-Directed Collective Bargaining Agreement; Retention Bonuses.

\$50,750,000 in fiscal year 2024 is for onetime retention bonuses covered by the SEIU collective bargaining agreement. Of this amount, \$50,000,000 is for retention bonuses and \$750,000 is for administration of the bonuses. This is a onetime appropriation and is available until June 30, 2025.

(h) Self-Directed Bargaining Agreement; Training Stipends.

\$2,100,000 in fiscal year 2024 and \$100,000 in fiscal year 2025 are for onetime stipends of \$500 for collective bargaining unit members who complete designated, voluntary trainings made available through or recommended by the State Provider Cooperation Committee. Of this amount, \$2,000,000 in fiscal year 2024 is for stipends, and \$100,000 in fiscal year 2024 and \$100,000 in fiscal year 2025 are for administration. This is a onetime appropriation.

(i) Self-Directed Bargaining Agreement; Orientation Program.

\$2,000,000 in fiscal year 2024 and \$2,000,000 in fiscal year 2025 are for onetime \$100 payments to collective bargaining unit members who complete voluntary orientation requirements. Of this amount, \$1,500,000 in fiscal year 2024 and \$1,500,000 in fiscal year 2025 are for the onetime \$100 payments, and \$500,000 in fiscal year 2024 and \$500,000 in fiscal year 2025 are for orientation-related costs. This is a onetime appropriation.

(j) Self-Directed Bargaining Agreement; Home Care Orientation Trust.

\$1,000,000 in fiscal year 2024 is for the Home Care Orientation Trust under Minnesota Statutes, section 179A.54, subdivision 11. The commissioner shall disburse the appropriation to the board of trustees of the Home Care Orientation Trust for deposit into an account designated by the board of

trustees outside the state treasury and state's accounting system. This is a onetime appropriation.

(k) HIV/AIDS Supportive Services. \$12,100,000 in fiscal year 2024 is for grants to community-based HIV/AIDS supportive services providers as defined in Minnesota Statutes, section 256.01, subdivision 19, and for payment of allowed health care costs as defined in Minnesota Statutes, section 256.935. This is a onetime appropriation and is available until June 30, 2025.

(l) Motion Analysis Advancements Clinical Study and Patient Care. \$400,000 is fiscal year 2024 is for a grant to the Mayo Clinic Motion Analysis Laboratory and Limb Lab for continued research in motion analysis advancements and patient care. This is a onetime appropriation and is available through June 30, 2025.

(m) Grant to Family Voices in Minnesota. \$75,000 in fiscal year 2024 and \$75,000 in fiscal year 2025 are for a grant to Family Voices in Minnesota under Minnesota Statutes, section 256.4776.

(n) Parent-to-Parent Programs.

(1) \$550,000 in fiscal year 2024 and \$550,000 in fiscal year 2025 are for grants to organizations that provide services to underserved communities with a high prevalence of autism spectrum disorder. This is a onetime appropriation and is available until June 30, 2025.

(2) The commissioner shall give priority to organizations that provide culturally specific and culturally responsive services.

(3) Eligible organizations must:

(i) conduct outreach and provide support to newly identified parents or guardians of a child with special health care needs;

(ii) provide training to educate parents and guardians in ways to support their child and navigate the health, education, and human services systems;

(iii) facilitate ongoing peer support for parents and guardians from trained volunteer support parents; and

(iv) communicate regularly with other parent-to-parent programs and national organizations to ensure that best practices are implemented.

(4) Grant recipients must use grant money for the activities identified in clause (3).

(5) For purposes of this paragraph, "special health care needs" means disabilities, chronic illnesses or conditions, health-related educational or behavioral problems, or the risk of developing disabilities, illnesses, conditions, or problems.

(6) Each grant recipient must report to the commissioner of human services annually by January 15 with measurable outcomes from programs and services funded by this appropriation the previous year including the number of families served and the number of volunteer support parents trained by the organization's parent-to-parent program.

(o) Self-Advocacy Grants for Persons with Intellectual and Developmental Disabilities. \$323,000 in fiscal year 2024 and \$323,000 in fiscal year 2025 are for self-advocacy grants under Minnesota Statutes, section 256.477. Of these amounts, \$218,000 in fiscal year 2024 and \$218,000 in fiscal year 2025 are for the activities under Minnesota Statutes, section 256.477, subdivision 1, paragraph (a), clauses (5) to (7), and for administrative costs, and \$105,000 in fiscal year 2024 and \$105,000 in fiscal year 2025 are for the activities under Minnesota Statutes, section 256.477, subdivision 2.

(p) **Technology for Home Grants.** \$300,000 in fiscal year 2024 and \$300,000 in fiscal year 2025 are for technology for home grants under Minnesota Statutes, section 256.4773.

(q) **Community Residential Setting Transition.** \$500,000 in fiscal year 2024 is for a grant to Hennepin County to expedite approval of community residential setting licenses subject to the corporate foster care moratorium exception under Minnesota Statutes, section 245A.03, subdivision 7, paragraph (a), clause (5).

(r) **Base Level Adjustment.** The general fund base is \$27,343,000 in fiscal year 2026 and \$27,016,000 in fiscal year 2027.

Subd. 17. Grant Programs; Adult Mental Health Grants

4,400,000

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(a) **Training for Peer Workforce.** \$4,000,000 in fiscal year 2024 is for peer workforce training grants. Notwithstanding Minnesota Statutes, section 16A.28, this is a onetime appropriation and is available until June 30, 2027.

(b) **Family Enhancement Center Grant.** \$400,000 in fiscal year 2024 is for a grant to the Family Enhancement Center to develop, maintain, and expand community-based social engagement and connection programs to help families dealing with trauma and mental health issues develop connections with each other and their communities, including the NEST parent monitoring program, the cook to connect program, and the call to movement initiative. This appropriation is onetime and is available until June 30, 2025.

Subd. 18. Grant Programs; Chemical Dependency Treatment Support Grants

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>54,691,000</u>	<u>5,342,000</u>
<u>Lottery Prize</u>	<u>1,733,000</u>	<u>1,733,000</u>

(a) Culturally Specific Recovery Community Organization Start-Up Grants. \$4,000,000 in fiscal year 2024 is for culturally specific recovery community organization start-up grants. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. This is a onetime appropriation.

(b) Safe Recovery Sites. \$14,537,000 in fiscal year 2024 is from the general fund for start-up and capacity-building grants for organizations to establish safe recovery sites. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is onetime and is available until June 30, 2029.

(c) Technical Assistance for Culturally Specific Organizations; Culturally Specific Services Grants. \$4,000,000 in fiscal year 2024 is for grants to culturally specific providers for technical assistance navigating culturally specific and responsive substance use and recovery programs. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027.

(d) Technical Assistance for Culturally Specific Organizations; Culturally Specific Grant Development Training. \$400,000 in fiscal year 2024 is for grants for up to four trainings for community members and culturally specific providers for grant writing training for substance use and recovery-related grants. Notwithstanding Minnesota Statutes, section 16A.28, this is a onetime appropriation and is available until June 30, 2027.

(e) Harm Reduction Supplies for Tribal and Culturally Specific Programs. \$7,597,000 in fiscal year 2024 is from the general fund to provide sole source grants to culturally specific communities to purchase syringes, testing supplies, and opiate antagonists. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation

is available until June 30, 2027. This is a onetime appropriation.

(f) Families and Family Treatment Capacity-Building and Start-Up Grants. \$10,000,000 in fiscal year 2024 is from the general fund for start-up and capacity-building grants for family substance use disorder treatment programs. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2029. This is a onetime appropriation.

(g) Start-Up and Capacity Building Grants for Withdrawal Management. \$500,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are for start-up and capacity building grants for withdrawal management.

(h) Recovery Community Organization Grants. \$4,300,000 in fiscal year 2024 is from the general fund for grants to recovery community organizations, as defined in Minnesota Statutes, section 254B.01, subdivision 8, that are current grantees as of June 30, 2023. This is a onetime appropriation and is available until June 30, 2025.

(i) Opioid Overdose Prevention Grants.

(1) \$125,000 in fiscal year 2024 and \$125,000 in fiscal year 2025 are from the general fund for a grant to Ka Joog, a nonprofit organization in Minneapolis, Minnesota, to be used for collaborative outreach, education, and training on opioid use and overdose, and distribution of opiate antagonist kits in East African and Somali communities in Minnesota. This is a onetime appropriation.

(2) \$125,000 in fiscal year 2024 and \$125,000 in fiscal year 2025 are from the general fund for a grant to the Steve Rummeler Hope Network to be used for statewide outreach, education, and training

on opioid use and overdose, and distribution of opiate antagonist kits. This is a onetime appropriation.

(3) \$250,000 in fiscal year 2024 and \$250,000 in fiscal year 2025 are from the general fund for a grant to African Career Education and Resource, Inc. to be used for collaborative outreach, education, and training on opioid use and overdose, and distribution of opiate antagonist kits. This is a onetime appropriation.

(j) **Problem Gambling.** \$225,000 in fiscal year 2024 and \$225,000 in fiscal year 2025 are from the lottery prize fund for a grant to a state affiliate recognized by the National Council on Problem Gambling. The affiliate must provide services to increase public awareness of problem gambling, education, training for individuals and organizations that provide effective treatment services to problem gamblers and their families, and research related to problem gambling.

(k) **Project ECHO.** \$1,310,000 in fiscal year 2024 and \$1,295,000 in fiscal year 2025 are from the general fund for a grant to Hennepin Healthcare to expand the Project ECHO program. The grant must be used to establish at least four substance use disorder-focused Project ECHO programs at Hennepin Healthcare, expanding the grantee's capacity to improve health and substance use disorder outcomes for diverse populations of individuals enrolled in medical assistance, including but not limited to immigrants, individuals who are homeless, individuals seeking maternal and perinatal care, and other underserved populations. The Project ECHO programs funded under this section must be culturally responsive, and the grantee must contract with culturally and linguistically appropriate substance use disorder service providers who have expertise in focus areas, based on the populations served. Grant funds may be used for program administration, equipment, provider

reimbursement, and staffing hours. This is a onetime appropriation.

(l) **White Earth Nation Substance Use Disorder Digital Therapy Tool.** \$3,000,000 in fiscal year 2024 is from the general fund for a grant to the White Earth Nation to develop an individualized Native American centric digital therapy tool with Pathfinder Solutions. This is a onetime appropriation.

The grant must be used to:

(1) develop a mobile application that is culturally tailored to connecting substance use disorder resources with White Earth Nation members;

(2) convene a planning circle with White Earth Nation members to design the tool;

(3) provide and expand White Earth Nation-specific substance use disorder services; and

(4) partner with an academic research institution to evaluate the efficacy of the program.

(m) **Wellness in the Woods.** \$300,000 in fiscal year 2024 and \$300,000 in fiscal year 2025 are from the general fund for a grant to Wellness in the Woods for daily peer support and special sessions for individuals who are in substance use disorder recovery, are transitioning out of incarceration, or who have experienced trauma. These are onetime appropriations.

(n) **Base Level Adjustment.** The general fund base is \$3,247,000 in fiscal year 2026 and \$3,247,000 in fiscal year 2027.

Subd. 19. **Direct Care and Treatment - Transfer Authority**

(a) Money appropriated for budget activities under subdivisions 20 to 24 may be transferred between budget activities and between years of the biennium with the

approval of the commissioner of management and budget.

(b) Ending balances in obsolete accounts in the special revenue fund and other dedicated accounts within direct care and treatment may be transferred to other dedicated and gift fund accounts within direct care and treatment for client use and other client activities, with approval of the commissioner of management and budget. These transactions must be completed by August 1, 2023.

Subd. 20. Direct Care and Treatment - Mental Health and Substance Abuse

169,962,000

177,152,000

The commissioner responsible for operations of direct care and treatment services, with the approval of the commissioner of management and budget, may transfer any balance in the enterprise fund established for the community addiction recovery enterprise program to the general fund appropriation within this subdivision. Any balance remaining after June 30, 2025, cancels to the general fund.

Subd. 21. Direct Care and Treatment - Community-Based Services

20,386,000

21,164,000

Base Level Adjustment. The general fund base is \$20,116,000 in fiscal year 2026 and \$20,116,000 in fiscal year 2027.

Subd. 22. Direct Care and Treatment - Forensic Services

141,020,000

148,513,000

Subd. 23. Direct Care and Treatment - Sex Offender Program

115,920,000

121,726,000

Subd. 24. Direct Care and Treatment - Operations

80,177,000

96,858,000

The general fund base is \$70,063,000 in fiscal year 2026 and \$70,161,000 in fiscal year 2027.

Sec. 3. COUNCIL ON DISABILITY

\$

2,027,000

\$

2,407,000

Base Level Adjustment. The general fund base is \$2,406,000 in fiscal year 2026 and \$2,407,000 in fiscal year 2027.

Sec. 4. OFFICE OF THE OMBUDSMAN FOR MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES

\$ 3,441,000 \$ 3,644,000

Department of Psychiatry Monitoring. \$100,000 in fiscal year 2024 and \$100,000 in fiscal year 2025 are for monitoring the Department of Psychiatry at the University of Minnesota.

Sec. 5. COMMISSIONER OF MANAGEMENT AND BUDGET

\$ 1,000,000 \$ 1,000,000

Office of Addiction and Recovery. \$1,000,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are for the Office of Addiction and Recovery.

Sec. 6. Laws 2021, First Special Session chapter 7, article 16, section 28, as amended by Laws 2022, chapter 40, section 1, is amended to read:

Sec. 28. CONTINGENT APPROPRIATIONS.

Any appropriation in this act for a purpose included in Minnesota's initial state spending plan as described in guidance issued by the Centers for Medicare and Medicaid Services for implementation of section 9817 of the federal American Rescue Plan Act of 2021 is contingent upon the initial approval of that purpose by the Centers for Medicare and Medicaid Services, except for the rate increases specified in article 11, sections 12 and 19. This section expires June 30, 2024.

Sec. 7. Laws 2021, First Special Session chapter 7, article 17, section 16, is amended to read:

Sec. 16. RESEARCH ON ACCESS TO LONG-TERM CARE SERVICES AND FINANCING.

(a) This act includes \$400,000 in fiscal year 2022 and \$300,000 in fiscal year 2023 for an actuarial research study of public and private financing options for long-term services and supports reform to increase access across the state. The commissioner of human services must conduct the study. Of this amount, the commissioner may transfer up to \$100,000 to the commissioner of commerce for costs related to the requirements of the study. The general fund base included in this act for this purpose is \$0 in fiscal year 2024 and \$0 in fiscal year 2025.

(b) All activities must be completed by June 30, 2024.

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

Sec. 8. **DIRECT CARE AND TREATMENT FISCAL YEAR 2023 APPROPRIATION.**

\$4,829,000 is appropriated in fiscal year 2023 to the commissioner of human services for direct care and treatment programs. This is a onetime appropriation.

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

Sec. 9. **TRANSFERS.**

Subdivision 1. **Grants.** The commissioner of human services, with the approval of the commissioner of management and budget, may transfer unencumbered appropriation balances for the biennium ending June 30, 2025, within fiscal years among the MFIP; general assistance; medical assistance; MinnesotaCare; MFIP child care assistance under Minnesota Statutes, section 119B.05; Minnesota supplemental aid program; housing support program; the entitlement portion of Northstar Care for Children under Minnesota Statutes, chapter 256N; and the entitlement portion of the behavioral health fund between fiscal years of the biennium. The commissioner shall inform the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services quarterly about transfers made under this subdivision.

Subd. 2. **Administration.** Positions, salary money, and nonsalary administrative money may be transferred within the Department of Human Services as the commissioner considers necessary, with the advance approval of the commissioner of management and budget. The commissioners shall inform the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance quarterly about transfers made under this section.

Sec. 10. **APPROPRIATIONS GIVEN EFFECT ONCE.**

If an appropriation or transfer in this article is enacted more than once during the 2023 regular session, the appropriation or transfer must be given effect once.

Sec. 11. **EXPIRATION OF UNCODIFIED LANGUAGE.**

All uncodified language contained in this article expires on June 30, 2025, unless a different expiration date is explicit.

Sec. 12. **EFFECTIVE DATE.**

This article is effective July 1, 2023, unless a different effective date is specified."

Delete the title and insert:

"A bill for an act relating to human services; modifying provisions governing disability services, aging services, health care, behavioral health, substance use disorder, the Opioid Prescribing Improvement Program, human services licensing, and direct care and treatment; establishing the Department of Direct Care and Treatment; making technical and conforming changes; establishing certain grants; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 4.046, subdivisions 6, 7; 15.01; 15.06, subdivision 1; 43A.08, subdivision 1a; 179A.54, by adding a subdivision; 241.021, subdivision 1; 241.31, subdivision 5; 241.415; 245.037; 245.91, subdivision 4; 245A.03, subdivision 7; 245A.04, subdivision 7; 245A.07, by adding subdivisions; 245A.10, subdivision 6, by adding a subdivision; 245A.11, subdivisions 7, 7a; 245A.13, subdivisions 1, 2, 3,

5, 6, 7, 9; 245D.03, subdivision 1; 245G.02, subdivision 2; 245G.08, subdivision 3; 245G.09, subdivision 3; 245G.22, subdivision 15, as amended if enacted; 246.54, subdivisions 1a, 1b; 252.27, subdivision 2a; 252.50, subdivision 2; 253B.10, subdivision 1; 254B.01, by adding a subdivision; 254B.05, subdivisions 1, 5; 256.01, subdivision 19; 256.042, subdivisions 1, 2; 256.043, subdivisions 3, 3a; 256.975, subdivision 6; 256.9754; 256B.04, by adding a subdivision; 256B.056, subdivision 3; 256B.057, subdivision 9; 256B.0625, subdivisions 17, 17a, 17b, 18h, 22, by adding a subdivision; 256B.0638, subdivisions 1, 2, 4, 5, by adding a subdivision; 256B.0659, subdivisions 1, 12, 19, 24, by adding a subdivision; 256B.073, subdivision 3, by adding a subdivision; 256B.0759, subdivision 2; 256B.0911, subdivision 13; 256B.0913, subdivisions 4, 5; 256B.0917, subdivision 1b; 256B.092, subdivision 1a; 256B.0949, subdivision 15; 256B.14, subdivision 2; 256B.49, subdivision 13; 256B.4905, subdivision 4a; 256B.4911, by adding a subdivision; 256B.4912, by adding subdivisions; 256B.4914, subdivisions 3, as amended, 4, 5, 5a, 5b, 6, 6a, 6b, 6c, 7a, 7b, 7c, 8, 9, 10, 10a, 10c, 12, 14, by adding subdivisions; 256B.5012, by adding subdivisions; 256B.766; 256B.85, subdivision 7, by adding a subdivision; 256B.851, subdivisions 3, 5, 6; 256D.425, subdivision 1; 256I.05, by adding subdivisions; 256M.42; 256R.17, subdivision 2; 256R.25; 256R.47; 256R.53, by adding a subdivision; 256S.15, subdivision 2; 256S.18, by adding a subdivision; 256S.19, subdivision 3; 256S.21; 256S.2101, subdivision 1; 256S.211; 256S.212; 256S.213; 256S.214; 256S.215, subdivisions 2, 3, 4, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17; 268.19, subdivision 1; Laws 2019, chapter 63, article 3, section 1, as amended; Laws 2021, chapter 30, article 12, section 5, as amended; Laws 2021, First Special Session chapter 7, article 16, section 28, as amended; article 17, sections 8; 16; proposing coding for new law in Minnesota Statutes, chapters 121A; 245; 245A; 245D; 252; 254B; 256; 256B; 256I; 256R; 325F; proposing coding for new law as Minnesota Statutes, chapter 246C; repealing Minnesota Statutes 2022, sections 245G.05, subdivision 2; 245G.06, subdivision 2; 246.18, subdivisions 2, 2a; 256B.0759, subdivision 6; 256B.0917, subdivisions 1a, 6, 7a, 13; 256B.4914, subdivisions 6b, 9a; 256S.19, subdivision 4; 256S.2101, subdivision 2."

We request the adoption of this report and repassage of the bill.

Senate Conferees: John Hoffman, Omar Fateh

House Conferees: Mohamud Noor, Peter Fischer

Senator Hoffman moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2934 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Senator Abeler moved that the recommendations and Conference Committee Report on S.F. No. 2934 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration.

CALL OF THE SENATE

Senator Housley imposed a call of the Senate for the balance of the proceedings on S.F. No. 2934. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Abeler motion.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

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

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 Boldon cast the negative vote on behalf of the following Senators: Dziedzic, Mann, Maye Quade, Pappas, Port, Rest, and Wiklund.

The motion did not prevail.

The question recurred on the adoption of the Hoffman 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 Boldon cast the affirmative vote on behalf of the following Senators: Dziedzic, Mann, Maye Quade, Pappas, Port, 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 Senator: Lieske.

The motion prevailed. So the recommendations and Conference Committee report were adopted.

S.F. No. 2934 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 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 Boldon cast the affirmative vote on behalf of the following Senators: Dziedzic, Mann, Port, 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: Lieske.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

RECESS

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

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

CALL OF THE SENATE

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Messages from the House and First Reading of House Bills.

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. 1830, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1830 is herewith transmitted to the Senate.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted May 19, 2023

CONFERENCE COMMITTEE REPORT ON H. F. No. 1830

A bill for an act relating to state government; appropriating money for the legislature, certain constitutional offices, and certain boards, offices, agencies, councils, departments, commissions, societies, centers, Minnesota State Retirement System, retirement plans, retirement associations, retirement fund; making appropriation reductions and cancellations; making deficiency appropriations; providing for revenue recovery; providing a statutory appropriation of funds to the legislature for sums sufficient to operate the house of representatives, senate, and Legislative Coordinating Commission; changing provisions for the legislative audit commission; making budget provisions; requiring Compensation Council to prescribe salaries for constitutional officers; requiring accountability and performance management measures; establishing the Office of Enterprise Translation; providing for grant administration and grant agreements; making county and local cybersecurity grants; changing human burial provisions; establishing the public land survey system monument grant program, the legislative task force on aging, the State Emblems Redesign Commission, and the infrastructure resilience advisory task force; requiring mixed-use Ford Building Site Redevelopment; providing for the Capitol Mall Design Framework; requiring the legislature to certify appropriation amounts for fiscal years 2026 and 2027; requiring a study of issues facing small agencies; requiring financial review of nonprofit grant recipients; modifying election administration provisions relating to voter registration, absentee voting, and election day voting; establishing early voting; adopting the national popular vote compact; allowing access for census workers; amending requirements related to soliciting near the polling place; modifying campaign finance provisions; modifying campaign finance reporting requirements; requiring disclosure of electioneering communications; prohibiting certain contributions during the legislative session; modifying provisions related to lobbying; establishing the voting operations, technology, and election resources account; providing penalties; making technical and clarifying changes; requiring reports; amending Minnesota Statutes 2022, sections 1.135, subdivisions 2, 4, 6, by adding a subdivision; 1.141, subdivision 1; 3.099, subdivision 3; 3.97, subdivision 2; 3.972, subdivision 3; 3.978, subdivision 2; 3.979, subdivisions 2, 3, by adding a subdivision; 4.045; 5.30, subdivision 2; 5B.06; 10.44; 10.45; 10A.01, subdivisions 5, 21, 26, 30, by adding subdivisions; 10A.022, subdivision 3; 10A.025, subdivision 4; 10A.03, subdivision 2, by adding a subdivision; 10A.04, subdivisions 3, 4, 6, 9; 10A.05; 10A.06; 10A.071, subdivision 1; 10A.09, subdivision 5, by adding a subdivision; 10A.121, subdivisions 1, 2; 10A.15, subdivision 5, by adding a subdivision; 10A.20, subdivisions 2a, 5, 12; 10A.244; 10A.25, subdivision 3a; 10A.271, subdivision 1; 10A.273, subdivision 1; 10A.275, subdivision 1; 10A.31, subdivision 4; 10A.38; 15A.0815, subdivisions 1, 2; 15A.082,

subdivisions 1, 2, 3, 4; 16A.122, subdivision 2; 16A.126, subdivision 1; 16A.1286, subdivision 2; 16A.152, subdivision 4; 16B.97, subdivisions 2, 3, 4; 16B.98, subdivisions 5, 6, 8, by adding subdivisions; 16B.991; 16E.14, subdivision 4; 16E.21, subdivisions 1, 2; 43A.08, subdivision 1; 135A.17, subdivision 2; 138.912, subdivisions 1, 2; 145.951; 200.02, subdivision 7; 201.022, subdivision 1; 201.061, subdivisions 1, 3, by adding a subdivision; 201.071, subdivisions 1, as amended, 8; 201.091, subdivision 4a; 201.12, subdivision 2; 201.121, subdivision 1; 201.13, subdivision 3; 201.1611, subdivision 1, by adding a subdivision; 201.195; 201.225, subdivision 2; 202A.18, subdivision 2a; 203B.001; 203B.01, by adding subdivisions; 203B.03, subdivision 1, by adding a subdivision; 203B.05, subdivision 1; 203B.08, subdivisions 1, 3; 203B.081, subdivisions 1, 3, by adding subdivisions; 203B.085; 203B.11, subdivisions 2, 4; 203B.12, subdivision 7, by adding a subdivision; 203B.121, subdivisions 1, 2, 3, 4; 203B.16, subdivision 2; 204B.06, subdivisions 1, 1b, 4a, by adding a subdivision; 204B.09, subdivisions 1, 3; 204B.13, by adding a subdivision; 204B.14, subdivision 2; 204B.16, subdivision 1; 204B.19, subdivision 6; 204B.21, subdivision 2; 204B.26; 204B.28, subdivision 2; 204B.32, subdivision 2; 204B.35, by adding a subdivision; 204B.45, subdivisions 1, 2, by adding a subdivision; 204B.46; 204B.49; 204C.04, subdivision 1; 204C.07, subdivision 4; 204C.15, subdivision 1; 204C.19, subdivision 3; 204C.24, subdivision 1; 204C.28, subdivision 1; 204C.33, subdivision 3; 204C.35, by adding a subdivision; 204C.39, subdivision 1; 204D.08, subdivisions 5, 6; 204D.09, subdivision 2; 204D.14, subdivision 1; 204D.16; 204D.19, subdivision 2; 204D.22, subdivision 3; 204D.23, subdivision 2; 204D.25, subdivision 1; 205.13, subdivision 5; 205.16, subdivision 2; 205.175, subdivision 3; 205A.09, subdivision 2; 205A.10, subdivision 5; 205A.12, subdivision 5; 206.58, subdivisions 1, 3; 206.61, subdivision 1; 206.80; 206.83; 206.845, subdivision 1, by adding a subdivision; 206.86, by adding a subdivision; 206.90, subdivision 10; 207A.12; 207A.15, subdivision 2; 208.05; 209.021, subdivision 2; 211B.11, subdivision 1; 211B.15, subdivision 8; 211B.20, subdivision 1; 211B.32, subdivision 1; 307.08; 349A.02, subdivision 1; 367.03, subdivision 6; 381.12, subdivision 2; 447.32, subdivision 4; 462A.22, subdivision 10; proposing coding for new law in Minnesota Statutes, chapters 2; 3; 5; 10A; 16A; 16B; 16E; 203B; 208; 211B; 381; repealing Minnesota Statutes 2022, sections 1.135, subdivisions 3, 5; 1.141, subdivisions 3, 4, 6; 4A.01; 4A.04; 4A.06; 4A.07; 4A.11; 15A.0815, subdivisions 3, 4, 5; 124D.23, subdivision 9; 202A.16; 203B.081, subdivision 2; 204D.04, subdivision 1; 204D.13, subdivisions 2, 3; 383C.806; Laws 2014, chapter 287, section 25, as amended; Minnesota Rules, part 4511.0600, subpart 5.

May 18, 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. 1830 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. 1830 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1**STATE GOVERNMENT AND ELECTIONS APPROPRIATIONS****Section 1. STATE GOVERNMENT AND ELECTIONS APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "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. LEGISLATURE

Subdivision 1. <u>Total Appropriation</u>	\$	<u>153,255,000</u>	\$	<u>122,993,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions. The base for this appropriation is \$123,093,000 in fiscal year 2026 and each fiscal year thereafter.

Subd. 2. <u>Senate</u>	<u>41,045,000</u>	<u>43,845,000</u>
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The base for this appropriation in fiscal year 2026 and fiscal year 2027 is reduced by an amount equal to the base established for the senate under Minnesota Statutes, section 3.1985, subdivision 2.

Subd. 3. <u>House of Representatives</u>	<u>48,046,000</u>	<u>48,558,000</u>
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The base for this appropriation in fiscal year 2026 and fiscal year 2027 is reduced by an amount equal to the base established for the house of representatives under Minnesota Statutes, section 3.1985, subdivision 2.

Subd. 4. <u>Legislative Coordinating Commission</u>	<u>64,164,000</u>	<u>30,590,000</u>
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The base is \$30,690,000 in fiscal year 2026 and each fiscal year thereafter.

\$200,000 each year is for the Office on the Economic Status of Women. The base for this appropriation is \$400,000 in fiscal year 2026 and each fiscal year thereafter.

\$1,000,000 the first year is to provide translation services for legislative business.

Legislative Auditor. \$10,459,000 the first year and \$11,526,000 the second year are for the Office of the Legislative Auditor.

Revisor of Statutes. \$22,250,000 the first year and \$8,714,000 the second year are for the Office of the Revisor of Statutes.

Legislative Reference Library. \$2,055,000 the first year and \$2,184,000 the second year are for the Legislative Reference Library.

Legislative Budget Office. \$2,454,000 the first year and \$2,669,000 the second year are for the Legislative Budget Office.

Sec. 3. GOVERNOR AND LIEUTENANT GOVERNOR

\$ 9,258,000 \$ 9,216,000

(a) \$19,000 each year is for necessary expenses in the normal performance of the governor's and lieutenant governor's duties for which no other reimbursement is provided.

(b) By September 1 of each year, the commissioner of management and budget shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over state government finance any personnel costs incurred by the Offices of the Governor and Lieutenant Governor that were supported by appropriations to other agencies during the previous fiscal year. The Office of the Governor shall inform the chairs and ranking minority members of the committees before initiating any interagency agreements.

Sec. 4. STATE AUDITOR

\$ 14,965,000 \$ 14,254,000

The base for this appropriation is \$14,268,000 in fiscal year 2026 and \$14,278,000 in fiscal year 2027.

\$500,000 the first year is for assistance and grants to towns to facilitate use of the Small City and Town Accounting System.

Sec. 5. ATTORNEY GENERAL \$ 56,296,000 \$ 43,825,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>53,380,000</u>	<u>40,909,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>2,521,000</u>	<u>2,521,000</u>
<u>Environmental</u>	<u>145,000</u>	<u>145,000</u>
<u>Remediation</u>	<u>250,000</u>	<u>250,000</u>

\$1,000,000 the first year is for transfer from the general fund to the consumer litigation account established in Minnesota Statutes, section 8.315.

Sec. 6. SECRETARY OF STATE \$ 13,470,000 \$ 11,069,000

The base for this appropriation is \$11,255,000 in fiscal year 2026 and \$11,069,000 in fiscal year 2027.

\$500,000 the first year is for the secretary of state to make grants to counties and municipalities to improve access to polling places for individuals with disabilities and to provide the same opportunity for access and participation in the electoral process, including privacy and independence, to voters with disabilities as that which exists for voters with no disabilities. Funds may be used to purchase equipment or to make capital improvements to government-owned facilities. This is a onetime appropriation and is available until June 30, 2027.

\$200,000 the first year is to develop and implement an educational campaign relating to the restoration of the right to vote to formerly incarcerated individuals, including

voter education materials and outreach to affected individuals.

Sec. 7. CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD

\$ 1,993,000 \$ 1,981,000

The base for this appropriation is \$1,791,000 in fiscal year 2026 and each fiscal year thereafter.

Sec. 8. STATE BOARD OF INVESTMENT

\$ 139,000 \$ 139,000

Sec. 9. ADMINISTRATIVE HEARINGS

\$ 12,528,000 \$ 10,510,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>2,760,000</u>	<u>694,000</u>
<u>Workers' Compensation</u>	<u>9,768,000</u>	<u>9,816,000</u>

Sec. 10. INFORMATION TECHNOLOGY SERVICES

\$ 90,215,000 \$ 56,140,000

The base for this appropriation is \$10,853,000 in fiscal year 2026 and \$10,872,000 in fiscal year 2027.

(a) Cybersecurity Grant Program. \$2,204,000 the first year and \$3,521,000 the second year are for a state and local cybersecurity improvement grant program for political subdivisions and Minnesota Tribal governments, as established in Minnesota Statutes, section 16E.35. This is a onetime appropriation and is available until June 30, 2027.

(b) Statewide Cybersecurity Enhancements. \$10,280,000 the first year and \$16,875,000 the second year are to procure, implement, and support advanced cybersecurity tools that combat persistent and evolving cybersecurity threats. This is a onetime appropriation and is available until June 30, 2027.

(c) Executive Branch Cloud Transformation. \$10,685,000 the first year and \$22,910,000 the second year are to support planning, migration, modernization, infrastructure, training, and services required for executive branch cloud transformation to modernize enterprise information technology delivery for state agency business partners. This is a onetime appropriation and is available until June 30, 2027.

(d) Targeted Application Modernization. \$40,000,000 the first year is to modernize targeted applications to improve user experiences with digital services provided by state agencies, enable service delivery transformation, and systematically address aging technology. This is a onetime appropriation and is available until June 30, 2027.

(e) Children's Cabinet IT Innovation. \$2,000,000 each year is to provide technology capabilities that support centering Minnesota children and their families over agency structures and provides dedicated information technology resources to deliver innovative digital services to children and families. This is a onetime appropriation and is available until June 30, 2027.

(f) Public Land Survey System. \$9,700,000 the first year is for the grant program authorized by Minnesota Statutes, section 381.125, and for grants to counties to employ county technical staff to aid surveyors making land survey corners. Up to six percent of this appropriation may be used by the chief geospatial information officer for the administration of the grant program. This is a onetime appropriation and is available until June 30, 2027.

(g) During the biennium ending June 30, 2025, the Department of Information Technology Services must not charge fees to a public noncommercial educational television broadcast station eligible for

funding under Minnesota Statutes, chapter 129D, for access to the state broadcast infrastructure. If the access fees not charged to public noncommercial educational television broadcast stations total more than \$400,000 for the biennium, the office may charge for access fees in excess of these amounts.

Sec. 11. **ADMINISTRATION**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>73,623,000</u>	<u>\$</u>	<u>46,421,000</u>
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The base for this appropriation is \$35,746,000 in fiscal year 2026 and \$35,758,000 in fiscal year 2027.

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

<u>Subd. 2. Government and Citizen Services</u>		<u>39,928,000</u>		<u>19,943,000</u>
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The base for this appropriation is \$17,268,000 in fiscal year 2026 and \$17,280,000 in fiscal year 2027.

Council on Developmental Disabilities.
\$222,000 each year is for the Council on Developmental Disabilities.

State Agency Accommodation Reimbursement.
\$200,000 each year may be transferred to the accommodation account established in Minnesota Statutes, section 16B.4805.

Disparity Study.
\$500,000 the first year and \$1,000,000 the second year are to conduct a study on disparities in state procurement. This is a onetime appropriation.

Grants Administration Oversight.
\$2,411,000 the first year and \$1,782,000 the second year are for grants administration oversight. The base for this appropriation in fiscal year 2026 and each year thereafter is \$1,581,000.

\$735,000 the first year and \$201,000 the second year are for a study to develop a road map on the need for an enterprise grants management system and to implement the study's recommendation. This is a onetime appropriation.

Risk Management Fund Property Self-Insurance. \$12,500,000 the first year is for transfer to the risk management fund under Minnesota Statutes, section 16B.85. This is a onetime appropriation.

Office of Enterprise Translations. \$1,306,000 the first year and \$1,159,000 the second year are to establish the Office of Enterprise Translations. \$250,000 each year may be transferred to the language access service account established in Minnesota Statutes, section 16B.373.

Capitol Mall Design Framework Implementation. \$5,000,000 the first year is to implement the updated Capitol Mall Design Framework, prioritizing the framework plans identified in article 2, section 124. This appropriation is available until December 31, 2024.

Parking Fund. \$3,255,000 the first year and \$1,085,000 the second year are for a transfer to the state parking account to maintain the operations of the parking and transit program on the Capitol complex. These are onetime transfers.

Procurement; Environmental Analysis and Task Force. \$522,000 the first year and \$367,000 the second year are to implement the provisions of Minnesota Statutes, section 16B.312.

Center for Rural Policy and Development. \$100,000 the first year is for a grant to the Center for Rural Policy and Development.

<u>Subd. 3. Strategic Management Services</u>	<u>2,574,000</u>	<u>2,645,000</u>
<u>Subd. 4. Fiscal Agent</u>	<u>31,121,000</u>	<u>23,833,000</u>

The base for this appropriation is \$15,833,000 in fiscal year 2026 and each fiscal year thereafter.

The appropriations under this section are to the commissioner of administration for the purposes specified.

In-Lieu of Rent. \$11,129,000 each year is for space costs of the legislature and veterans organizations, ceremonial space, and statutorily free space.

Public Television. (a) \$1,550,000 each year is for matching grants for public television.

(b) \$250,000 each year is for public television equipment grants under Minnesota Statutes, section 129D.13.

(c) \$500,000 each year is for block grants to public television under Minnesota Statutes, section 129D.13. Of this amount, up to three percent is for the commissioner of administration to administer the grants. This is a onetime appropriation.

(d) The commissioner of administration must consider the recommendations of the Minnesota Public Television Association before allocating the amounts appropriated in paragraphs (a) and (b) for equipment or matching grants.

Public Radio. (a) \$2,392,000 the first year and \$1,242,000 the second year are for community service grants to public educational radio stations. This appropriation may be used to disseminate emergency information in foreign languages. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(b) \$142,000 each year is for equipment grants to public educational radio stations. This appropriation may be used for the repair, rental, and purchase of equipment including equipment under \$500.

(c) \$850,000 the first year is for grants to the Association of Minnesota Public Educational Radio Stations for the purchase of emergency equipment and increased cybersecurity and broadcast technology. The Association of Minnesota Public Educational Radio Stations may use up to four percent of this appropriation for costs that are directly related to and necessary for the administration of these grants.

(d) \$1,288,000 the first year is for a grant to the Association of Minnesota Public Educational Radio Stations to provide a diverse community radio news service. Of this amount, up to \$38,000 is for the commissioner of administration to administer this grant. This is a onetime appropriation and is available until June 30, 2027.

(e) \$1,020,000 each year is for equipment grants to Minnesota Public Radio, Inc., including upgrades to Minnesota's Emergency Alert and AMBER Alert Systems.

(f) The appropriations in paragraphs (a) to (e) may not be used for indirect costs claimed by an institution or governing body.

(g) The commissioner of administration must consider the recommendations of the Association of Minnesota Public Educational Radio Stations before awarding grants under Minnesota Statutes, section 129D.14, using the appropriations in paragraphs (a) to (c). No grantee is eligible for a grant unless they are a member of the Association of Minnesota Public Educational Radio Stations on or before July 1, 2023.

(h) Any unencumbered balance remaining the first year for grants to public television or public radio stations does not cancel and is available for the second year.

Real Estate and Construction Services.
\$12,000,000 the first year and \$8,000,000

the second year are to facilitate space consolidation and the transition to a hybrid work environment, including but not limited to the design, remodel, equipping, and furnishing of the space. This appropriation may also be used for relocation and rent loss. This is a onetime appropriation and is available until June 30, 2027.

Sec. 12. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD

\$ 1,070,000 \$ 510,000

The base for this appropriation in fiscal year 2026 and each year thereafter is \$455,000.

\$500,000 the first year is to support commemorative artwork activities. This is a onetime appropriation and is available until June 30, 2027.

\$130,000 in fiscal year 2024 and \$55,000 in fiscal year 2025 are for mandatory zoning and design rules. This is a onetime appropriation.

Sec. 13. MINNESOTA MANAGEMENT AND BUDGET

\$ 55,356,000 \$ 58,057,000

The base for this appropriation is \$47,831,000 in fiscal year 2026 and each fiscal year thereafter.

(a) \$13,489,000 the first year and \$14,490,000 the second year are to stabilize and secure the state's enterprise resource planning systems. This amount is available until June 30, 2027. The base for this appropriation is \$6,470,000 in fiscal year 2026 and each fiscal year thereafter.

(b) \$1,000,000 each year is for administration and staffing of the Children's Cabinet established in Minnesota Statutes, section 4.045.

(c) \$317,000 each year is to increase the agency's capacity to proactively raise awareness about the capital budget process

and provide technical assistance around the requirements associated with the capital budget process and receiving general fund or general obligation bond funding for capital projects, including compliance requirements that must be met at various stages of capital project development, with particular focus on nonprofits, American Indian communities, and communities of color that have traditionally not participated in the state capital budget process. This appropriation may also be used to increase the agency's capacity to coordinate with other state agencies regarding the administration of grant agreements, programs, and technical assistance related to capital projects governed by the provisions of Minnesota Statutes, chapter 16A, and other applicable laws and statutes.

(d) \$2,500,000 each year is for interagency collaboration to develop data collection standards for race, ethnicity, gender identity, and disability status and to develop a roadmap and timeline for implementation of the data standards across state government. These funds may be transferred to other agencies to support this work and may be used to update computer systems to accommodate revised data collection standards. This is a onetime appropriation and is available until June 30, 2027.

(e) \$102,000 the first year and \$60,000 the second year are for the report required under Minnesota Statutes, section 43A.15, subdivision 14a, and for training and content development relating to ADA Title II, affirmative action, equal employment opportunity, digital accessibility, inclusion, disability awareness, and cultural competence.

Sec. 14. **REVENUE**

Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>194,566,000</u>	<u>\$</u>	<u>203,778,000</u>
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<u>Appropriations by Fund</u>		
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>190,306,000</u>	<u>199,518,000</u>
<u>Health Care Access</u>	<u>1,760,000</u>	<u>1,760,000</u>
<u>Highway User Tax</u>		
<u>Distribution</u>	<u>2,195,000</u>	<u>2,195,000</u>
<u>Environmental</u>	<u>305,000</u>	<u>305,000</u>

The general fund base for this appropriation is \$198,168,000 in fiscal year 2026 and each fiscal year thereafter.

<u>Subd. 2. Tax System Management</u>	<u>161,715,000</u>	<u>168,851,000</u>
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<u>Appropriations by Fund</u>		
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>157,455,000</u>	<u>164,591,000</u>
<u>Health Care Access</u>	<u>1,760,000</u>	<u>1,760,000</u>
<u>Highway User Tax</u>		
<u>Distribution</u>	<u>2,195,000</u>	<u>2,195,000</u>
<u>Environmental</u>	<u>305,000</u>	<u>305,000</u>

The general fund base for this appropriation is \$163,189,000 in fiscal year 2026 and \$163,263,000 in fiscal year 2027 and each fiscal year thereafter.

Taxpayer Assistance. (a) \$750,000 each year is for the commissioner of revenue to make grants to one or more eligible organizations, qualifying under section 7526A(e)(2)(B) of the Internal Revenue Code of 1986 to coordinate, facilitate, encourage, and aid in the provision of taxpayer assistance services. The unencumbered balance in the first year does not cancel but is available for the second year.

(b) For purposes of this section, "taxpayer assistance services" means accounting and tax preparation services provided by volunteers to low-income, elderly, and disadvantaged Minnesota residents to help them file federal and state income tax returns and Minnesota property tax refund claims and to provide personal representation before the Department of Revenue and Internal Revenue Service.

Subd. 3. Debt Collection Management 32,851,000 34,927,000

The base for this appropriation is \$34,979,000 in fiscal year 2026 and \$34,905,000 in fiscal year 2027 and each fiscal year thereafter.

Sec. 15. GAMBLING CONTROL BOARD \$ 6,365,000 \$ 6,334,000

These appropriations are from the lawful gambling regulation account in the special revenue fund.

Sec. 16. RACING COMMISSION \$ 1,933,000 \$ 954,000

Appropriations by Fund

<u>General</u>	<u>1,000,000</u>	<u>-0-</u>
<u>Special Revenue</u>	<u>933,000</u>	<u>954,000</u>

The special revenue fund appropriations are from the racing and card playing regulation accounts in the special revenue fund.

Horseracing Integrity and Safety Act Compliance. \$1,000,000 in fiscal year 2024 is from the general fund for costs related to the federal Horseracing Integrity and Safety Act.

Sec. 17. STATE LOTTERY

Notwithstanding Minnesota Statutes, section 349A.10, subdivision 3, the State Lottery's operating budget must not exceed \$40,000,000 in fiscal year 2024 and \$40,000,000 in fiscal year 2025.

Sec. 18. AMATEUR SPORTS COMMISSION \$ 1,229,000 \$ 391,000

\$850,000 the first year is for upgrades necessary to support the installation of solar panels on the roof of the ice arena complex at the National Sports Center.

Sec. 19. COUNCIL FOR MINNESOTANS OF AFRICAN HERITAGE \$ 795,000 \$ 816,000

The base for this appropriation is \$321,000 in fiscal year 2026 and each fiscal year thereafter.

(a) <u>Global Minnesota</u>	<u>39,000</u>	<u>39,000</u>
(b) <u>Minnesota Air National Guard Museum</u>	<u>17,000</u>	<u>17,000</u>
(c) <u>Hockey Hall of Fame</u>	<u>100,000</u>	<u>100,000</u>
(d) <u>Farmamerica</u>	<u>215,000</u>	<u>215,000</u>

The base for this appropriation is \$115,000 in fiscal year 2026 and each fiscal year thereafter.

(e) <u>Minnesota Military Museum</u>	<u>50,000</u>	<u>50,000</u>
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Any unencumbered balance remaining in this subdivision the first year does not cancel but is available for the second year of the biennium.

Sec. 25. **BOARD OF THE ARTS**

Subdivision 1. <u>Total Appropriation</u>	<u>\$ 7,774,000</u>	<u>\$ 7,787,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <u>Operations and Services</u>	<u>835,000</u>	<u>848,000</u>
Subd. 3. <u>Grants Program</u>	<u>4,800,000</u>	<u>4,800,000</u>
Subd. 4. <u>Regional Arts Councils</u>	<u>2,139,000</u>	<u>2,139,000</u>

Any unencumbered balance remaining in this section the first year does not cancel, but is available for the second year.

Money appropriated in this section and distributed as grants may only be spent on projects located in Minnesota. A recipient of a grant funded by an appropriation in this section must not use more than ten percent of the total grant for costs related to travel outside the state of Minnesota.

Sec. 26. <u>MINNESOTA HUMANITIES CENTER</u>	<u>\$ 3,470,000</u>	<u>\$ 970,000</u>
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\$500,000 each year is for Healthy Eating, Here at Home grants under Minnesota Statutes, section 138.912. No more than three percent of the appropriation may be used for the nonprofit administration of the program.

\$2,500,000 the first year is for cultural awareness programs and grants. If the center awards grants, it may retain up to five percent of the amount allocated to grants for administrative costs associated with the grants. This is a onetime appropriation and is available until June 30, 2027.

Sec. 27. BOARD OF ACCOUNTANCY \$ 844,000 \$ 859,000

Sec. 28. BOARD OF ARCHITECTURE ENGINEERING, LAND SURVEYING, LANDSCAPE ARCHITECTURE, GEOSCIENCE, AND INTERIOR DESIGN \$ 893,000 \$ 913,000

Sec. 29. BOARD OF COSMETOLOGIST EXAMINERS \$ 3,470,000 \$ 3,599,000

Sec. 30. BOARD OF BARBER EXAMINERS \$ 442,000 \$ 452,000

Sec. 31. GENERAL CONTINGENT ACCOUNTS \$ 2,000,000 \$ 2,000,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>1,500,000</u>	<u>1,500,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>400,000</u>	<u>400,000</u>
<u>Workers'</u>		
<u>Compensation</u>	<u>100,000</u>	<u>100,000</u>

(a) The general fund base for this appropriation is \$1,500,000 in fiscal year 2026 and each even-numbered fiscal year thereafter. The base is \$0 for fiscal year 2027 and each odd-numbered fiscal year thereafter.

(b) The appropriations in this section may only be spent with the approval of the governor after consultation with the

Legislative Advisory Commission pursuant to Minnesota Statutes, section 3.30.

(c) If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 32. <u>TORT CLAIMS</u>	<u>\$</u>	<u>161,000</u>	<u>\$</u>	<u>161,000</u>
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These appropriations are to be spent by the commissioner of management and budget according to Minnesota Statutes, section 3.736, subdivision 7. If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 33. MINNESOTA STATE RETIREMENT SYSTEM

Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>14,543,000</u>	<u>\$</u>	<u>14,372,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <u>Combined Legislators and Constitutional Officers Retirement Plan</u>		<u>8,543,000</u>		<u>8,372,000</u>
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Under Minnesota Statutes, sections 3A.03, subdivision 2; 3A.04, subdivisions 3 and 4; and 3A.115.

Subd. 3. <u>Judges Retirement Plan</u>		<u>6,000,000</u>		<u>6,000,000</u>
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For transfer to the judges retirement fund under Minnesota Statutes, section 490.123. This transfer continues each fiscal year until the judges retirement plan reaches 100 percent funding as determined by an actuarial valuation prepared according to Minnesota Statutes, section 356.214.

Sec. 34. <u>PUBLIC EMPLOYEES RETIREMENT ASSOCIATION</u>	<u>\$</u>	<u>25,000,000</u>	<u>\$</u>	<u>25,000,000</u>
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(a) \$9,000,000 each year is for direct state aid to the public employees police and fire

retirement plan authorized under Minnesota Statutes, section 353.65, subdivision 3b.

(b) State payments from the general fund to the Public Employees Retirement Association on behalf of the former MERF division account are \$16,000,000 on September 15, 2024, and \$16,000,000 on September 15, 2025. These amounts are estimated to be needed under Minnesota Statutes, section 353.505.

Sec. 35. TEACHERS RETIREMENT ASSOCIATION

\$ 29,831,000 \$ 29,831,000

The amounts estimated to be needed are as follows:

Special Direct State Aid. \$27,331,000 each year is for special direct state aid authorized under Minnesota Statutes, section 354.436.

Special Direct State Matching Aid. \$2,500,000 each year is for special direct state matching aid authorized under Minnesota Statutes, section 354.435.

Sec. 36. ST. PAUL TEACHERS RETIREMENT FUND

\$ 14,827,000 \$ 14,827,000

The amounts estimated to be needed for special direct state aid to the first class city teachers retirement fund association authorized under Minnesota Statutes, section 354A.12, subdivisions 3a and 3c.

Sec. 37. CANCELLATION; COVID-19 MANAGEMENT.

\$58,334,000 of the general fund appropriation in Minnesota Laws 2022, chapter 50, article 3, section 1, is canceled to the general fund by June 30, 2023.

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

Sec. 38. APPROPRIATION REDUCTION FOR EXECUTIVE AGENCIES.

(a) The commissioner of management and budget must reduce general fund appropriations to executive agencies for agency operations for the biennium ending June 30, 2025, by \$8,672,000 due to savings from reduced transfers to the Governor's Office account in the special revenue fund.

(b) If savings are obtained through reduced transfers from nongeneral funds other than those established in the state constitution or protected by federal law, the commissioner of management and budget may transfer the amount of savings to the general fund. The amount transferred to the general fund from other funds reduces the required general fund reduction in this section. Reductions made in fiscal year 2025 must be reflected as reductions in agency base budgets for fiscal years 2026 and 2027.

Sec. 39. APPROPRIATION; CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD; CAPITOL MALL DESIGN FRAMEWORK.

\$1,000,000 in fiscal year 2023 is appropriated from the general fund to the Capitol Area Architectural and Planning Board to update the Capitol Mall Design Framework and for initial implementation of the framework. This is a onetime appropriation and is available until December 31, 2024.

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

Sec. 40. APPROPRIATION; SECRETARY OF STATE; HELP AMERICA VOTE ACT STATE MATCHING FUNDS.

\$461,000 in fiscal year 2023 is transferred from the general fund to the Help America Vote Act (HAVA) account established in Minnesota Statutes, section 5.30, and is credited to the state match requirement of the Consolidated Appropriations Act of 2022, Public Law 117-103, and the Consolidated Appropriations Act of 2023, Public Law 117-328. This is a onetime transfer.

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

Sec. 41. APPROPRIATION; SECRETARY OF STATE; COURT ORDERED ATTORNEY FEES.

\$495,000 in fiscal year 2023 is appropriated from the general fund to the secretary of state for the payment of attorney fees and costs awarded by court order in the legislative and congressional redistricting cases Peter Wattson, et al.; Paul Anderson, et al.; and Frank Sachs, et al. v. Steve Simon, Secretary of State of Minnesota, Nos. A21-0243 and A21-0546, and interest thereon. This is a onetime appropriation.

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

Sec. 42. APPROPRIATION; DEPARTMENT OF CORRECTIONS.

\$165,000 in fiscal year 2024 and \$33,000 in fiscal year 2025 are appropriated to the commissioner of corrections for the report required under Minnesota Statutes section 201.145, subdivision 3.

Sec. 43. TRANSFER; VOTING OPERATIONS, TECHNOLOGY, AND ELECTION RESOURCES ACCOUNT.

\$1,250,000 each year is transferred from the general fund to the voting operations, technology, and election resources account established under Minnesota Statutes, section 5.305. The base for this transfer is \$1,250,000 in fiscal year 2026 and each fiscal year thereafter.

Sec. 44. **TRANSFER; STATE ELECTIONS CAMPAIGN ACCOUNT.**

\$2,103,000 in fiscal year 2025 is transferred from the general fund to the general account of the state elections campaign account established in Minnesota Statutes, section 10A.31. This is a onetime transfer.

Sec. 45. **TRANSFER; STATE FACILITIES ASSET PRESERVATION.**

\$9,391,000 in fiscal year 2024 is transferred from the general fund to the asset preservation account in the special revenue fund established in Minnesota Statutes, section 16B.24, subdivision 5, paragraph (d).

Sec. 46. **SCIENCE MUSEUM OF MINNESOTA REVENUE RECOVERY.**

\$500,000 in fiscal year 2024 and \$250,000 in fiscal year 2025 are appropriated from the general fund to the Science Museum of Minnesota for revenue recovery. This is a onetime appropriation.

Sec. 47. **ST. ANTHONY FALLS STUDY.**

\$1,000,000 in fiscal year 2024 is appropriated from the general fund to the Board of Regents of the University of Minnesota for a geophysical study and hazard assessment of the St. Anthony Falls area and St. Anthony Falls cutoff wall. The study must include a field-based investigation of the cutoff wall and other subsurface structures, modeling of the surrounding area, examination of public safety and infrastructure risks posed by potential failure of the cutoff wall or surrounding area, and emergency response plan for identified risks. By conducting this study, the Board of Regents does not consent to accepting liability for the current condition or risks posed by a potential failure of the cutoff wall. By July 1, 2025, the Board of Regents must submit a report to the legislative committees with jurisdiction over state and local government policy and finance. This appropriation is available until June 30, 2025.

Sec. 48. Minnesota Statutes 2022, section 5.30, subdivision 2, is amended to read:

Subd. 2. **Appropriation.** ~~Notwithstanding section 4.07, Money in the Help America Vote Act account may be spent only pursuant to direct appropriations enacted from time to time by law. Money in the account must be spent~~ is appropriated to the secretary of state to improve the administration of elections in accordance with the Help America Vote Act, the state plan certified by the governor under the act, and for reporting and administrative requirements under the act and plan. To the extent required by federal law, money in the account must be used in a manner that is consistent with the maintenance of effort requirements of section 254(a)(7) of the Help America Vote Act, Public Law 107-252, based on the level of state expenditures for the fiscal year ending June 30, 2000.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any balances in the Help America Vote Act account existing on or after that date.

Sec. 49. Minnesota Statutes 2022, section 6.91, subdivision 4, is amended to read:

Subd. 4. **Appropriation.** ~~(*)~~ The amount necessary to fund obligations under subdivision 2 is annually appropriated from the general fund to the commissioner of revenue.

~~(b) The sum of \$6,000 in fiscal year 2011 and \$2,000 in each fiscal year thereafter is annually appropriated from the general fund to the state auditor to carry out the auditor's responsibilities under sections 6.90 to 6.91.~~

Sec. 50. Minnesota Statutes 2022, section 10A.31, subdivision 4, is amended to read:

Subd. 4. **Appropriation.** (a) The amounts designated by individuals for the state elections campaign account, less three percent, are appropriated from the general fund, must be transferred and credited to the appropriate account in the state elections campaign account, and are annually appropriated for distribution as set forth in subdivisions 5, 5a, 6, and 7. The remaining three percent must be kept in the general fund for administrative costs.

(b) In addition to the amounts in paragraph (a), ~~\$1,020,000~~ \$2,432,000 for each general election is appropriated from the general fund for transfer to the general account of the state elections campaign account.

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

Sec. 51. **REPEALER.**

Laws 2023, chapter 34, article 4, section 1, subdivision 2, is repealed.

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

ARTICLE 2

STATE GOVERNMENT POLICY

Section 1. Minnesota Statutes 2022, section 1.135, subdivision 2, is amended to read:

Subd. 2. **Official seal.** The seal described in subdivision ~~3~~ 3a is the "Great Seal of the State of Minnesota." When the seal, the impression of the seal, the scene within the seal, or its likeness is reproduced at state expense, it must conform to subdivision 3 and section 4.04. A seal, impression, scene, or likeness which does not conform to these provisions is not official.

EFFECTIVE DATE. This section is effective May 11, 2024.

Sec. 2. Minnesota Statutes 2022, section 1.135, is amended by adding a subdivision to read:

Subd. 3a. **Official seal; May 11, 2024, and thereafter.** The Great Seal of the State of Minnesota is the design as certified in the report of the State Emblems Redesign Commission, as established by this act.

EFFECTIVE DATE. This section is effective May 11, 2024.

Sec. 3. Minnesota Statutes 2022, section 1.135, subdivision 4, is amended to read:

Subd. 4. **Additional effects; size.** Every effort shall be made to reproduce the seal with justification to the 12 o'clock position ~~and with attention to the authenticity of the illustrations used to create the scene within the seal. The description of the scene in this section does not preclude the~~

~~graphic inclusion of the effects of movement, sunlight, or falling water when the seal is reproduced. Nor does.~~ This section does not prohibit the enlargement, proportioned reduction, or embossment of the seal for its use in unofficial acts.

EFFECTIVE DATE. This section is effective May 11, 2024.

Sec. 4. Minnesota Statutes 2022, section 1.135, subdivision 6, is amended to read:

Subd. 6. **State's duties.** State agencies and departments using the seal, its impression, ~~the scene within the seal~~ or its likeness shall make every effort to bring any seal, impression, ~~scene~~, or likeness currently fixed to a permanent object into accordance with this section and section 4.04. Expendable material to which the seal in effect prior to May 11, 2024, or any impression, scene, or likeness of that seal is currently affixed may be used until the supply is exhausted or until January 1, 2025, whichever occurs first. All unused dies and engravings of the Great Seal shall be given to the Minnesota Historical Society, along with all historical information available about the seal, to be retained in the society's permanent collection.

EFFECTIVE DATE. This section is effective May 11, 2024.

Sec. 5. Minnesota Statutes 2022, section 1.141, subdivision 1, is amended to read:

Subdivision 1. **Adoption.** The design of the state flag ~~proposed by the Legislative Interim Commission acting under Laws 1955, chapter 632,~~ as certified in the report of the State Emblems Redesign Commission, as established by this act, is adopted as the official state flag.

EFFECTIVE DATE. This section is effective May 11, 2024.

Sec. 6. **[1.1471] STATE FIRE MUSEUM.**

The Bill and Bonnie Daniels Firefighters Hall and Museum in the city of Minneapolis is designated as the official state fire museum.

Sec. 7. Minnesota Statutes 2022, section 3.011, is amended to read:

3.011 SESSIONS.

The legislature shall meet at the seat of government on the first Tuesday after the ~~first~~ second Monday in January of each odd-numbered year. ~~When the first Monday in January falls on January 1, it shall meet on the first Wednesday after the first Monday.~~ It shall also meet when called by the governor to meet in special session.

Sec. 8. Minnesota Statutes 2022, section 3.012, is amended to read:

3.012 LEGISLATIVE DAY.

For the purposes of the Minnesota Constitution, article IV, section 12, a legislative day is a day when either house of the legislature is called to order gives any bill a third reading, adopts a rule of procedure or organization, elects a university regent, confirms a gubernatorial appointment, or votes to override a gubernatorial veto. A legislative day begins at seven o'clock a.m. and continues until seven o'clock a.m. of the following calendar day.

EFFECTIVE DATE. This section is effective January 13, 2025, and applies to sessions of the legislature convening on or after that date.

Sec. 9. Minnesota Statutes 2022, section 3.099, subdivision 3, is amended to read:

Subd. 3. **Leaders.** The senate Committee on Rules and Administration for the senate and the house of representatives Committee on Rules and Legislative Administration for the house of representatives may each designate for their respective body up to ~~three~~ five leadership positions to receive up to 140 percent of the compensation of other members.

At the commencement of each biennial legislative session, each house of the legislature shall adopt a resolution designating its majority and minority leader.

The majority leader is the person elected by the caucus of members in each house which is its largest political affiliation. The minority leader is the person elected by the caucus which is its second largest political affiliation.

Sec. 10. Minnesota Statutes 2022, section 3.195, subdivision 1, is amended to read:

Subdivision 1. **Distribution of reports.** (a) Except as provided in subdivision 4, a report to the legislature required of a department or agency shall be made, unless otherwise specifically required by law, by filing ~~two copies~~ one copy with the Legislative Reference Library, and by making the report available electronically to the Legislative Reference Library. The same distribution procedure shall be followed for other reports and publications unless otherwise requested by a legislator or the Legislative Reference Library.

(b) A public entity as defined in section 16C.073 shall not distribute a report or publication to a member or employee of the legislature, except the Legislative Reference Library, unless the entity has determined that the member or employee wants the reports or publications published by that entity or the member or employee has requested the report or publication. This prohibition applies to both mandatory and voluntary reports and publications. A report or publication may be summarized in an executive summary and distributed as the entity chooses. Distribution of a report to legislative committee or commission members during a committee or commission hearing is not prohibited by this section.

(c) A report or publication produced by a public entity may not be sent to both the home address and the office address of a representative or senator unless mailing to both addresses is requested by the representative or senator.

(d) Reports, publications, periodicals, and summaries under this subdivision must be printed in a manner consistent with section 16C.073.

Sec. 11. **[3.1985] LEGISLATIVE FUNDING; APPROPRIATION.**

Subdivision 1. **Definition.** As used in this section, "member expenses" means:

(1) compensation to members of the legislature, to include salary; payroll taxes; leadership pay; employer-paid benefits or contributions offered through the state employee group insurance program

or the Minnesota State Retirement System; and any fees related to items identified in this clause; and

(2) per diem and mileage costs associated with the conduct of legislative business by members of the legislature, and housing and communication costs for members, as authorized by the house of representatives Committee on Rules and Legislative Administration or the senate Committee on Rules and Administration.

Subd. 2. **Legislative funding.** (a) Sums sufficient to fund member expenses of the house of representatives and the senate are appropriated from the general fund to the house of representatives and senate, as applicable.

(b) No later than June 15 of each year, the controller of the house of representatives and the secretary of the senate must each certify to the commissioner of management and budget the amounts to be appropriated under this section for the fiscal year beginning July 1 of the same year.

(c) No later than January 15 of each year, the controller of the house of representatives and the secretary of the senate must each certify to the commissioner of management and budget any changes to the current biennium's appropriations. Certifications provided by January 15 of an odd-numbered year must include estimated amounts to be appropriated for the fiscal biennium beginning the next July 1.

(d) Amounts certified under paragraphs (b) and (c) must be the amounts determined by a majority vote conducted during a public meeting of the house of representatives Committee on Rules and Legislative Administration, or the senate Committee on Rules and Administration, as applicable.

(e) At any time between the date funds are certified under this subdivision and the last date for adjusting the certified amount, the Legislative Advisory Commission may convene a meeting to review and provide advice on the certified amount. At its discretion, the committees may incorporate the advice of the Legislative Advisory Commission when making an adjustment to the certified amount.

(f) Sums sufficient to address emergency needs of the house of representatives, senate, Legislative Coordinating Commission, and any other joint legislative office, council, or commission, are appropriated from the general fund to the house of representatives, senate, or Legislative Coordinating Commission, as applicable. Emergency needs may include but are not limited to information technology system failures, cybersecurity incidents, and physical infrastructure failures. The controller of the house of representatives, the secretary of the senate, or the executive director of the Legislative Coordinating Commission must certify to the commissioner of management and budget any amount to be appropriated under this paragraph, as directed by the speaker of the house, majority leader of the senate, or chair of the Legislative Coordinating Commission. To the extent practical, any amount proposed for appropriation must be submitted to the commissioner of management and budget for advice and comment prior to final certification. The total amount appropriated by this paragraph in a fiscal year must not exceed \$1,000,000.

(g) In the event of a nonappropriation caused by a gubernatorial veto impacting the house of representatives, the senate, the Legislative Coordinating Commission, or any other joint legislative office, council, or commission, the general fund appropriation base for the house of representatives, senate, or Legislative Coordinating Commission, plus three percent, is appropriated in the next fiscal

year from the general fund to the house of representatives, senate, or Legislative Coordinating Commission, as applicable, for any expenses for which an appropriation is not otherwise provided by this section.

(h) By October 15 each year, the house of representatives, the senate, and the Legislative Coordinating Commission must each submit a report to the commissioner of management and budget detailing expenditures made under paragraphs (a) and (f) for the prior fiscal year.

Subd. 3. **Other appropriations.** Nothing in this section precludes the house of representatives, the senate, or a joint legislative office or commission of the Legislative Coordinating Commission from receiving a direct appropriation by law or another statutory appropriation for a specific purpose provided in the direct or statutory appropriation. If the house of representatives, the senate, or a joint legislative office or commission receives a direct or statutory appropriation, the amount appropriated is distinct from and must not be considered during the biennial appropriation certification process under this section.

EFFECTIVE DATE; APPLICABILITY. This section is effective July 1, 2025, and applies to appropriations for fiscal years 2026 and thereafter.

Sec. 12. Minnesota Statutes 2022, section 3.303, subdivision 6, is amended to read:

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

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

Sec. 13. Minnesota Statutes 2022, section 3.855, subdivision 2, is amended to read:

Subd. 2. **Unrepresented state employee negotiations compensation.** ~~(a) The commissioner of management and budget shall regularly advise the commission on the progress of collective bargaining activities with state employees under the state Public Employment Labor Relations Act. During negotiations, the commission may make recommendations to the commissioner as it deems appropriate but no recommendation shall impose any obligation or grant any right or privilege to the parties.~~

(b) (a) The commissioner of management and budget shall submit to the chair of the commission any negotiated collective bargaining agreements, arbitration awards, compensation plans, or salaries for legislative approval or disapproval. Negotiated agreements shall be submitted within five days of the date of approval by the commissioner or the date of approval by the affected state employees, whichever occurs later. Arbitration awards shall be submitted within five days of their receipt by the commissioner. prepared under section 43A.18, subdivisions 2, 3, 3b, and 4. The chancellor of the Minnesota State Colleges and Universities shall submit any compensation plan under section 43A.18, subdivision 3a. If the commission disapproves a collective bargaining agreement, award, compensation plan, or salary, the commission shall specify in writing to the parties those portions

with which it disagrees and its reasons. If the commission approves a ~~collective bargaining agreement, award,~~ compensation plan, or salary, it shall submit the matter to the legislature to be accepted or rejected under this section.

~~(e) (b)~~ When the legislature is not in session, the commission may give interim approval to a ~~negotiated collective bargaining agreement, salary, or compensation plan, or arbitration award.~~ ~~When the legislature is not in session, failure of the commission to disapprove a collective bargaining agreement or arbitration award within 30 days constitutes approval.~~ The commission shall submit the ~~negotiated collective bargaining agreements, salaries, and compensation plans, or arbitration awards~~ for which it has provided approval to the entire legislature for ratification at a special legislative session called to consider them or at its next regular legislative session as provided in this section. Approval or disapproval by the commission is not binding on the legislature.

~~(d) (c)~~ When the legislature is not in session, the proposed ~~collective bargaining agreement, arbitration decision,~~ salary, or compensation plan must be implemented upon its approval by the commission, and state employees covered by the proposed ~~agreement or arbitration decision plan or salary~~ do not have the right to strike while the interim approval is in effect. ~~Wages and economic fringe benefit increases provided for in the agreement or arbitration decision paid in accordance with the interim approval by the commission are not affected, but the wages or benefit increases must cease to be paid or provided effective upon the rejection of the agreement, arbitration decision, salary, or compensation plan, or upon adjournment of the legislature without acting on it.~~

Sec. 14. Minnesota Statutes 2022, section 3.855, subdivision 3, is amended to read:

Subd. 3. **Other salaries and compensation plans.** The commission shall also:

(1) review and approve, or reject, ~~or modify~~ a plan for compensation and terms and conditions of employment prepared and submitted by the commissioner of management and budget under section 43A.18, subdivision 2, covering all state employees who are not represented by an exclusive bargaining representative and whose compensation is not provided for by chapter 43A or other law;

(2) review and approve, or reject, ~~or modify~~ a plan for total compensation and terms and conditions of employment for employees in positions identified as being managerial under section 43A.18, subdivision 3, whose salaries and benefits are not otherwise provided for in law or other plans established under chapter 43A;

~~(3) review and approve, reject, or modify recommendations for salaries submitted by the governor or other appointing authority under section 15A.0815, subdivision 5, covering agency head positions listed in section 15A.0815;~~

~~(4) (3)~~ review and approve, or reject, ~~or modify~~ recommendations for salary range of officials of higher education systems under section 15A.081, subdivision 7c;

~~(5) (4)~~ review and approve, or reject, ~~or modify~~ plans for compensation, terms, and conditions of employment proposed under section 43A.18, subdivisions 3a, 3b, and 4; and

~~(6) (5)~~ review and approve, or reject, ~~or modify~~ the plan for compensation, terms, and conditions of employment of classified employees in the office of the legislative auditor under section 3.971, subdivision 2.

Sec. 15. Minnesota Statutes 2022, section 3.855, subdivision 5, is amended to read:

Subd. 5. **Information required.** The commissioner of management and budget must submit to the Legislative Coordinating Commission the following information with the submission of a ~~collective bargaining agreement or compensation plan under subdivisions~~ subdivision 2 and 3:

(1) for each agency and for each proposed ~~agreement or plan~~, a comparison of biennial compensation costs under the current ~~agreement or plan~~ to the projected biennial compensation costs under the proposed ~~agreement or plan~~, paid with funds appropriated from the general fund;

(2) for each agency and for each proposed ~~agreement or plan~~, a comparison of biennial compensation costs under the current ~~agreement or plan~~ to the projected biennial compensation costs under the proposed ~~agreement or plan~~, paid with funds appropriated from each fund other than the general fund;

(3) for each agency and for each proposed ~~agreement or plan~~, an identification of the amount of the additional biennial compensation costs that are attributable to salary and wages and to the cost of nonsalary and nonwage benefits; and

(4) for each agency, for clauses (1) to (3), the impact of the aggregate of all ~~agreements and plans~~ being submitted to the commission.

Sec. 16. Minnesota Statutes 2022, section 3.855, is amended by adding a subdivision to read:

Subd. 6. **Information required; collective bargaining agreements, memoranda of understanding, and arbitration awards.** Within 14 days after the implementation of a collective bargaining agreement, memorandum of understanding, or receipt of an arbitration award, the commissioner of management and budget must submit to the Legislative Coordinating Commission the following:

(1) a copy of the collective bargaining agreement showing changes from previous agreements and a copy of the executed agreement;

(2) a copy of any memorandum of understanding that has a fiscal impact, interest, or arbitration award;

(3) a comparison of biennial compensation costs under the current agreement to the projected biennial compensation costs under the new agreement, memorandum of understanding, interest, or arbitration award; and

(4) a comparison of biennial compensation costs under the current agreement to the projected biennial compensation costs for the following biennium under the new agreement, memorandum of understanding, interest, or arbitration award.

Sec. 17. Minnesota Statutes 2022, section 3.888, is amended by adding a subdivision to read:

Subd. 1a. **Definition.** (a) For purposes of this section, the following term has the meaning given.

(b) "Security records" means data, documents, recordings, or similar that:

(1) were originally collected, created, received, maintained, or disseminated by a member of the commission during a closed meeting or a closed portion of a meeting; and

(2) are security information as defined by section 13.37, subdivision 1, or otherwise pertain to cybersecurity briefings and reports; issues related to cybersecurity systems; or deficiencies in or recommendations regarding cybersecurity services, infrastructure, and facilities, if disclosure of the records would pose a danger to or compromise cybersecurity infrastructure, facilities, procedures, or responses.

Sec. 18. Minnesota Statutes 2022, section 3.888, subdivision 5, is amended to read:

Subd. 5. **Meetings.** The commission must meet at least three times per calendar year. The meetings of the commission are subject to section 3.055, except that the commission may close a meeting when necessary to safeguard the state's cybersecurity. ~~The minutes, recordings, and documents from a closed meeting under this subdivision~~ Security records shall be maintained by the Legislative Coordinating Commission and shall not be made available to the public until at least eight years but no more than 20 years after the date of the closed meeting.

Sec. 19. Minnesota Statutes 2022, section 3.888, is amended by adding a subdivision to read:

Subd. 5a. **Closed meetings procedures.** The commission must adopt procedures for conducting closed meetings before the commission's first closed meeting. At a minimum, the procedures must include:

(1) a requirement to provide notice to the public, when practicable, before each closed meeting of the commission's intent and authority to hold a closed meeting or to hold a closed session during an otherwise open meeting;

(2) a requirement that the commission minimize the number of people present at a closed meeting to those necessary to conduct the meeting;

(3) a requirement that votes shall not be taken during a closed meeting or a closed portion of a meeting pursuant to this section;

(4) steps the commission must take if a commission member is alleged to have violated the confidentiality of a closed meeting; and

(5) guidance for the Legislative Coordinating Commission for the public release of security records following the eight-year record requirement in subdivision 5. The meetings of the Legislative Coordinating Commission under this subdivision are exempt from section 3.055 when necessary to safeguard the confidentiality of security records.

Sec. 20. Minnesota Statutes 2022, section 3.888, is amended by adding a subdivision to read:

Subd. 5b. **Alleged member closed meeting confidentiality violations.** Notwithstanding any law to the contrary, if a complaint alleging a member violated the confidentiality of a closed meeting is brought to a legislative committee with jurisdiction over ethical conduct, the committee with jurisdiction over ethical conduct must preserve the confidentiality of the closed meeting at issue.

Sec. 21. Minnesota Statutes 2022, section 3.97, subdivision 2, is amended to read:

Subd. 2. **Membership; terms; meetings; compensation; powers.** The Legislative Audit Commission consists of:

(1) three members of the senate appointed by the ~~Subcommittee on Committees of the Committee on Rules and Administration of the senate~~ majority leader;

(2) three members of the senate appointed by the senate minority leader;

(3) three members of the house of representatives appointed by the speaker of the house; and

(4) three members of the house of representatives appointed by the house of representatives minority leader.

Members shall serve until replaced, or until they are not members of the legislative body from which they were appointed. Appointing authorities shall fill vacancies on the commission within 30 days of a vacancy being created.

The commission shall meet in January of each odd-numbered year to elect its chair and vice-chair. They shall serve until successors are elected. The chair and vice-chair shall alternate biennially between the senate and the house of representatives, and shall be of different political parties. The commission shall meet at the call of the chair. The members shall serve without compensation but be reimbursed for their reasonable expenses as members of the legislature. The commission may exercise the powers prescribed by section 3.153.

Sec. 22. Minnesota Statutes 2022, section 3.972, subdivision 3, is amended to read:

Subd. 3. **Audit contracts.** ~~Notwithstanding any other law, A state department, board, commission, or other state agency shall not negotiate a contract~~ contracting with a public accountant for an audit, except a contract negotiated by the state auditor for an audit of a local government, ~~unless the contract has been reviewed by the legislative auditor. The legislative auditor shall not participate in the selection of the public accountant but shall review and submit written comments on the proposed contract within seven days of its receipt. Upon completion of the audit, the legislative auditor shall be given~~ must provide the legislative auditor with a copy of the final report of the audit upon completion of the audit.

Sec. 23. Minnesota Statutes 2022, section 3.978, subdivision 2, is amended to read:

Subd. 2. **Inquiry and inspection power; duty to aid legislative auditor.** All public officials and their deputies and employees, and all corporations, firms, and individuals having business involving the receipt, disbursement, or custody of public funds shall at all times: (1) afford reasonable facilities for examinations by the legislative auditor, make; (2) provide returns and reports required by the legislative auditor; (3) attend and answer under oath the legislative auditor's lawful inquiries; (4) produce and exhibit all books, accounts, documents, data of any classification, and property that the legislative auditor requests to inspect; and (5) in all things cooperate with the legislative auditor.

Sec. 24. Minnesota Statutes 2022, section 3.979, subdivision 2, is amended to read:

Subd. 2. **Access to data by commission members.** Members of the commission have access to not public data that is collected or used by the legislative auditor ~~and classified as not public or~~

~~as private or confidential~~ only as authorized by resolution of the commission. The commission may not authorize its members to have access to private or confidential data on individuals collected or used in connection with the collection of any tax.

Sec. 25. Minnesota Statutes 2022, section 3.979, subdivision 3, is amended to read:

Subd. 3. **Audit data.** (a) "Audit" as used in this subdivision means a financial audit, program evaluation, special review, ~~or~~ investigation, or assessment of an allegation or report submitted to the legislative auditor.

~~(b) Notwithstanding any other law, data relating to an audit are not public or with respect to data on individuals are confidential or protected nonpublic until the final report of the audit has been released by the legislative auditor or the audit is no longer being actively pursued. Upon release of a final audit report by the legislative auditor, data relating to an audit are public except data otherwise classified as not public.~~

~~(c) Unless the data are subject to a more restrictive classification by another law, upon the legislative auditor's decision to no longer actively pursue an audit without the release of a final audit report, data relating to an audit are private or nonpublic except for data: (1) relating to the audit's existence, status, and disposition; and (2) that document the work of the legislative auditor. For any such audit, data identifying individuals or nongovernmental entities are private or nonpublic.~~

~~(b) (d) Data related to an audit but not published in the audit report and that the legislative auditor reasonably believes will be used in litigation are not public and with respect to data on individuals are confidential or protected nonpublic until the litigation has been completed or is no longer being actively pursued.~~

~~(e) (e) Data that could reasonably be used to determine the identity of an individual or entity supplying data for an audit are private or nonpublic if the data supplied by the individual were needed for an audit and the individual would not have been provided the data to the legislative auditor without an assurance that the individual's identity of the individual or entity would remain private or nonpublic, or the legislative auditor reasonably believes that the subject data would not have been provided the data.~~

~~(d) The definitions of terms provided in section 13.02 apply for purposes of this subdivision (f) Data related to an audit that were obtained from a nongovernmental entity have the classification that the data would have if obtained from the governmental entity for which the data were created, collected, or maintained by the nongovernmental entity.~~

(g) The legislative auditor may disseminate data of any classification to:

(1) a governmental entity, other than a law enforcement agency or prosecuting authority, if the dissemination of the data aids a pending audit; or

(2) a law enforcement agency or prosecuting authority if there is reason to believe that the data are evidence of criminal activity within the agency's or authority's jurisdiction.

(h) Notwithstanding the classification of data as confidential or protected nonpublic, an individual or entity who supplies information for an audit may authorize the legislative auditor to release data

that would identify the individual or entity for the purpose of conducting the audit. Data disseminated pursuant to this paragraph are subject to section 13.03, subdivision 4, paragraph (c).

Sec. 26. Minnesota Statutes 2022, section 3.979, is amended by adding a subdivision to read:

Subd. 6. **Definitions.** The definitions of terms provided in section 13.02 apply for purposes of this section.

Sec. 27. Minnesota Statutes 2022, section 4.045, is amended to read:

4.045 CHILDREN'S CABINET.

The Children's Cabinet shall consist of the commissioners of education, human services, employment and economic development, public safety, corrections, management and budget, health, administration, Housing Finance Agency, and transportation, ~~and the director of the Office of Strategic and Long-Range Planning~~. The governor shall designate one member to serve as cabinet chair. The chair is responsible for ensuring that the duties of the Children's Cabinet are performed.

Sec. 28. **[8.315] CONSUMER LITIGATION FUND.**

Subdivision 1. **Establishment.** The consumer litigation account is established in the special revenue fund in the state treasury.

Subd. 2. **Disbursements from account.** The attorney general may authorize disbursements from the consumer litigation account for the following purposes related to multistate consumer litigation:

(1) payment of the costs of litigation, investigation, administration, or settlement of any matter related to the duties and authorities provided by this chapter, federal law, or common law as it pertains to consumer litigation;

(2) cost-share payments subject to agreements entered into with other states, governmental entities, law enforcement agencies, or federal agencies in furtherance of litigation, investigation, administration, or settlement of any matter that pertains to consumer litigation;

(3) retention of expert witnesses, professional or technical services, consultants, specialists, mediators, or necessary services related to litigation, investigation, administration, or settlement of any matter that pertains to consumer litigation; and

(4) document review, issue coding, electronic data hosting, or discovery-related costs, including reasonable costs for services incurred by a state agency if related to litigation or an investigation pertaining to consumer litigation in which the state is a party and the attorney general determines it is beneficial to the state to authorize such payments.

Subd. 3. **Reporting.** The attorney general shall report annually by October 15 to the chairs and ranking minority members of the committees in the senate and the house of representatives with jurisdiction over state government finance on activities funded through money disbursed from the consumer litigation account during the prior fiscal year. The report must include an accounting of the starting balance and ending balance of the consumer litigation account for the relevant reporting

period and a summary description of all disbursements from the account, along with the purpose of any disbursements.

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

Sec. 29. Minnesota Statutes 2022, section 9.031, subdivision 3, is amended to read:

Subd. 3. **Collateral.** (a) In lieu of the corporate bond required in subdivision 2, a depository may deposit with the commissioner of management and budget collateral to secure state funds that are to be deposited with it. The Executive Council must approve the collateral.

(b) The Executive Council shall not approve any collateral except:

~~(1) bonds and certificates of indebtedness, other than bonds secured by real estate, that are legal investments for savings banks under any law of the state; and~~

~~(2) bonds of any insular possession of the United States, of any state, or of any agency of this state, the payment of the principal and interest of which is provided for by other than direct taxation.~~

(1) United States government treasury bills, treasury notes, and treasury bonds;

(2) issues of United States government agencies and instrumentalities, as quoted by a recognized industry quotation service available to the state;

(3) general obligation securities of any state other than the state and its agencies or local government with taxing powers that is rated "A" or better by a national bond rating service, or revenue obligation securities of any state other than the state and its agencies or local government with taxing powers that is rated "AA" or better by a national bond rating service;

(4) irrevocable standby letters of credit issued by Federal Home Loan Banks to the state accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and

(5) time deposits that are fully insured by any federal agency.

(c) The collateral deposited shall be accompanied by an assignment thereof to the state, which assignment shall recite that:

(1) the depository will pay all the state funds deposited with it to the commissioner of management and budget, free of exchange or other charge, at any place in this state designated by the commissioner of management and budget; if the deposit is a time deposit it shall be paid, together with interest, only when due; and

(2) in case of default by the depository the state may sell the collateral, or as much of it as is necessary to realize the full amount due from the depository, and pay any surplus to the depository or its assigns.

(d) Upon the direction of the Executive Council, the commissioner of management and budget, on behalf of the state, may reassign in writing to the depository any registered collateral pledged to the state by assignment thereon.

(e) A depository may deposit collateral of less value than the total designation and may, at any time during the period of its designation, deposit additional collateral, withdraw excess collateral, and substitute other collateral for all or part of that on deposit. Approval of the Executive Council is not necessary for the withdrawal of excess collateral.

(f) If the depository is not in default the commissioner of management and budget shall pay the interest collected on the deposited collateral to the depository.

(g) In lieu of depositing collateral with the commissioner of management and budget, collateral may also be placed in safekeeping in a restricted account at a Federal Reserve bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection shall be approved by the commissioner.

Sec. 30. Minnesota Statutes 2022, section 10.44, is amended to read:

10.44 HOUSE, SENATE, COURT, ELECTED OFFICE BUDGETS; HOW TREATED.

Except as provided in section 3.1985, the budgets of the house of representatives, senate, constitutional officers, district courts, court of appeals, and supreme court must be submitted to and considered by the appropriate committees of the legislature in the same manner as the budgets of executive agencies.

EFFECTIVE DATE. This section is effective July 1, 2025, and applies to budgets proposed for fiscal years 2026 and thereafter.

Sec. 31. Minnesota Statutes 2022, section 10.45, is amended to read:

10.45 BUDGETS; INFORMATION.

The budgets of the ~~house of representatives, the senate,~~ Legislative Coordinating Commission and each constitutional officer, the district courts, court of appeals, and supreme court shall be public information and shall be divided into expense categories. The budgets of the house of representatives and the senate shall be public information and shall be separated by appropriation categories identified in section 3.1985 and direct appropriation expense categories. The categories shall include, among others, payroll, travel, and telephone expenses.

EFFECTIVE DATE. This section is effective July 1, 2025, and applies to budgets adopted for fiscal years 2026 and thereafter.

Sec. 32. Minnesota Statutes 2022, section 10.5805, is amended to read:

10.5805 HMONG SPECIAL GUERRILLA UNITS REMEMBRANCE DAY.

(a) May 14 of each year is designated as Hmong Special Guerrilla Units Remembrance Day in honor of Southeast Asians, Americans, and their allies who served, suffered, sacrificed, or died in the Secret War in Laos during the Vietnam War in the years 1961 to 1975 in support of the armed forces of the United States, and in recognition of the significance of May 14, 1975, the last day that the overall American-trained Hmong command structure over the Special Guerrilla Units in Laos was operational. At least 35,000 Hmong Special Guerrilla soldiers lost their lives protecting trapped,

lost, or captured American soldiers and pilots in Laos and Vietnam. One-half of the Hmong population in Laos perished as a result of the American Secret War in Laos. Ethnic Hmong men, women, and children in Laos faced persecution and forced reeducation in seminar camps after their American support ended. Despite the tremendous cost and sacrifices in the war, the Hmong remain proud to stand by the values of freedom and justice that America symbolizes. Those who survived escaped to western countries to start a new life. Each year, the governor shall issue a proclamation honoring the observance.

(b) Schools are encouraged to offer instruction about Hmong history or read the passage under paragraph (a) to students in honor of this day on May 14 or, if May 14 falls on a Saturday or Sunday, on the Friday preceding May 14.

(c) Businesses may close in honor of this day and an employee may request the day off in observance.

(d) The governor shall order the United States and the Minnesota flags flown on the grounds of the Capitol Area to be flown at half-staff on May 14. Local governments, private businesses, and public and private schools are encouraged to fly United States and Minnesota flags at half-staff on May 14.

Sec. 33. Minnesota Statutes 2022, section 13.04, subdivision 4, is amended to read:

Subd. 4. **Procedure when data is not accurate or complete.** (a) An individual subject of the data may contest the accuracy or completeness of public or private data about themselves.

(b) To exercise this right, an individual shall notify in writing the responsible authority of the government entity that maintains the data, describing the nature of the disagreement.

(c) Upon receiving notification from the data subject, the responsible authority shall within 30 days either:

(1) correct the data found to be inaccurate or incomplete and attempt to notify past recipients of inaccurate or incomplete data, including recipients named by the individual; or

(2) notify the individual that the responsible authority believes has determined the data to be correct. If the challenged data are determined to be accurate or complete, the responsible authority shall inform the individual of the right to appeal the determination to the commissioner as specified under paragraph (d). Data in dispute shall be disclosed only if the individual's statement of disagreement is included with the disclosed data.

(d) A data subject may appeal the determination of the responsible authority ~~may be appealed~~ pursuant to the provisions of the Administrative Procedure Act relating to contested cases. An individual must submit an appeal to the commissioner within 60 days of the responsible authority's notice of the right to appeal or as otherwise provided by the rules of the commissioner. Upon receipt of an appeal by an individual, the commissioner shall, before issuing the order and notice of a contested case hearing required by chapter 14, try to resolve the dispute through education, conference, conciliation, or persuasion. If the parties consent, the commissioner may refer the matter to mediation. Following these efforts, the commissioner shall dismiss the appeal or issue the order and notice of hearing.

(e) The commissioner may dismiss an appeal without first attempting to resolve the dispute or before issuing an order and notice of a contested case hearing if:

(1) the appeal to the commissioner is not timely;

(2) the appeal concerns data previously presented as evidence in a court proceeding in which the data subject was a party; or

(3) the individual making the appeal is not the subject of the data challenged as inaccurate or incomplete.

(b) (f) Data on individuals that have been successfully challenged by an individual must be completed, corrected, or destroyed by a government entity without regard to the requirements of section 138.17.

(g) After completing, correcting, or destroying successfully challenged data, a government entity may retain a copy of the commissioner of administration's order issued under chapter 14 or, if no order were issued, a summary of the dispute between the parties that does not contain any particulars of the successfully challenged data.

Sec. 34. [15.0147] COUNCIL ON LGBTQIA2S+ MINNESOTANS.

Subdivision 1. **Council established; membership.** (a) The Council on LGBTQIA2S+ Minnesotans is established. The council consists of 16 voting members.

(b) The governor shall appoint a total of 12 public voting members. The governor may additionally appoint a commissioner of a state agency or a designee of the commissioner to serve as an ex-officio, nonvoting member of the council.

(c) Four legislators shall be appointed to the council. The speaker of the house and the minority leader of the house of representatives shall each appoint one member of the house of representatives to the council. The senate Subcommittee on Committees of the Committee on Rules and Administration shall appoint one member of the senate majority caucus and one member of the senate minority caucus.

Subd. 2. **Appointments; terms; removal.** (a) In making appointments to the council, the governor shall consider an appointee's proven dedication and commitment to Minnesota's LGBTQIA2S+ community and any expertise possessed by the appointee that might be beneficial to the council, such as experience in public policy, legal affairs, social work, business, or management. The executive director and legislative members may offer advice to the governor on applicants seeking appointment.

(b) Terms, compensation, and filling of vacancies for members appointed by the governor are as provided in section 15.059. Removal of members appointed by the governor is governed by section 15.059, except that: (1) a member who misses more than half of the council meetings convened during a 12-month period is automatically removed from the council; and (2) a member appointed by the governor may be removed by a vote of three of the four legislative members of the council. The chair of the council shall inform the governor of the need for the governor to fill a vacancy on the council. Legislative members serve at the pleasure of their appointing authority.

(c) A member appointed by the governor may serve no more than a total of eight years on the council. A legislator may serve no more than eight consecutive years or 12 nonconsecutive years on the council.

Subd. 3. **Training; executive committee; meetings; support.** (a) A member appointed by the governor must attend orientation training within the first six months of service for the member's initial term. The commissioner of administration must arrange for the training to include but not be limited to the legislative process, government data practices, ethics, conflicts of interest, Open Meeting Law, Robert's Rules of Order, fiscal management, and human resources. The governor must remove a member who does not complete the training.

(b) The council shall annually elect from among the members appointed by the governor a chair and other officers the council deems necessary. These officers and one legislative member selected by the council shall serve as the executive committee of the council.

(c) Forty percent of voting members of the council constitutes a quorum. A quorum is required to conduct council business. A council member may not vote on any action if the member has a conflict of interest under section 10A.07.

(d) The council shall receive administrative support from the commissioner of administration under section 16B.371. The council may contract in its own name but may not accept or receive a loan or incur indebtedness except as otherwise provided by law. Contracts must be approved by a majority of the members of the council and executed by the chair and the executive director. The council may apply for, receive, and expend in its own name grants and gifts of money consistent with the powers and duties specified in this section.

(e) The attorney general shall provide legal services to the council on behalf of the state on all matters relating to the council, including matters relating to the state as the employer of the executive director of the council and other council staff.

Subd. 4. **Executive director; staff.** (a) The Legislative Coordinating Commission must appoint an executive director for the council. The executive director must be experienced in administrative activities and familiar with the challenges and needs of Minnesota's LGBTQIA2S+ community of people who identify as lesbian, gay, bisexual, transgender, gender expansive, queer, intersex, asexual, or two-spirit. The executive director serves in the unclassified service at the pleasure of the Legislative Coordinating Commission.

(b) The Legislative Coordinating Commission must establish a process for recruiting and selecting applicants for the executive director position. This process must include consultation and collaboration with the council.

(c) The executive director and council members must work together in fulfilling council duties. The executive director must consult with the commissioner of administration to ensure appropriate financial, purchasing, human resources, and other services for operation of the council.

(d) Once appointed, the council is responsible for supervising the work of the executive director. The council chair must report to the chair of the Legislative Coordinating Commission regarding the performance of the executive director, including recommendations regarding any disciplinary actions. The executive director must appoint and supervise the work of other staff necessary to carry

out the duties of the council. The executive director must consult with the council chair prior to taking the following disciplinary actions with council staff: written reprimand, suspension, demotion, or discharge. The executive director and other council staff are executive branch employees.

(e) The executive director must submit the council's biennial budget request to the commissioner of management and budget as provided under chapter 16A.

Subd. 5. **Duties of council.** (a) The council must work for the implementation of economic, social, legal, and political equality for Minnesota's community of people who identify as lesbian, gay, bisexual, transgender, gender expansive, queer, intersex, asexual, or two-spirit. The council shall work with the legislature and governor to carry out this work by performing the duties in this section.

(b) The council shall advise the governor and the legislature on issues confronting the LGBTQIA2S+ community. This may include but is not limited to presenting the results of surveys, studies, and community forums to the appropriate executive departments and legislative committees.

(c) The council shall advise the governor and the legislature of administrative and legislative changes needed to improve the economic and social condition of Minnesota's LGBTQIA2S+ community. This may include but is not limited to working with legislators to develop legislation to address issues and to work for passage of legislation. This may also include making recommendations regarding the state's affirmative action program and the state's targeted group small business program or working with state agencies and organizations to develop business opportunities and promote economic development for the LGBTQIA2S+ community.

(d) The council shall advise the governor and the legislature of the implications and effect of proposed administrative and legislative changes on the constituency of the council. This may include but is not limited to tracking legislation, testifying as appropriate, and meeting with executive departments and legislators.

(e) The council shall serve as a liaison between state government and organizations that serve Minnesota's LGBTQIA2S+ community. This may include but is not limited to working with these organizations to carry out the duties in paragraphs (a) to (d) and working with these organizations to develop informational programs or publications to involve and empower the community in seeking improvement in their economic and social conditions.

(f) The council shall perform or contract for the performance of studies designed to suggest solutions to the problems of Minnesota's LGBTQIA2S+ community in the areas of education, employment, human rights, health, housing, social welfare, and other related areas.

(g) In carrying out duties under this subdivision, the council may act to advise on issues that affect the shared constituencies with the councils established in section 15.0145.

Subd. 6. **Duties of council members.** A council member shall:

(1) attend and participate in scheduled meetings and be prepared by reviewing meeting notes;

(2) maintain and build communication with Minnesota's LGBTQIA2S+ community;

(3) collaborate with the council and executive director in carrying out the council's duties; and

(4) participate in activities the council or executive director deem appropriate and necessary to facilitate the goals and duties of the council.

Subd. 7. **Reports.** The council must report on the measurable outcomes achieved in the council's current strategic plan to meet its statutory duties, along with the specific objectives and outcome measures proposed for the following year. The council must submit the report by January 15 each year to the chairs and ranking minority members of the legislative committees with primary jurisdiction over state government operations. Each report must cover the calendar year of the year before the report is submitted. The specific objectives and outcome measures for the following current year must focus on three or four achievable objectives, action steps, and measurable outcomes for which the council will be held accountable. The strategic plan may include other items that support the statutory purposes of the council but should not distract from the primary statutory proposals presented. The biennial budget of the council must be submitted to the Legislative Coordinating Commission by February 1 in each odd-numbered year.

Sec. 35. Minnesota Statutes 2022, section 15.0395, is amended to read:

15.0395 INTERAGENCY AGREEMENTS AND INTRA-AGENCY TRANSFERS.

(a) By October 15, 2018, and annually thereafter, the head of each agency must provide reports to the chairs and ranking minority members of the legislative committees with jurisdiction over the department or agency's budget on:

(1) each interagency agreements agreement or service-level agreements and agreement, including any renewals renewal or extensions extension of an existing interagency or service-level agreements agreement with another agency if the cumulative value of those agreements between two agencies is more than \$100,000 in the previous fiscal year; and

(2) transfers of appropriations between accounts within or between agencies, if the cumulative value of the transfers is more than \$100,000 in the previous fiscal year.

The report must include the statutory citation authorizing the agreement, transfer or dollar amount, purpose, ~~and~~ the effective date of the agreement, and the duration of the agreement, ~~and a copy of the agreement.~~ Interagency agreements and service-level agreements that authorize enterprise central services and transfers specifically required by statute or session law are not required to be reported under this section.

(b) As used in this section, "agency" includes the departments of the state listed in section 15.01, a multimember state agency in the executive branch described in section 15.012, paragraph (a), the Department of Information Technology Services, and the Office of Higher Education.

Sec. 36. Minnesota Statutes 2022, section 15.066, is amended by adding a subdivision to read:

Subd. 3. **Advice and consent time limit.** (a) For appointments that require confirmation by only the senate, if the senate does not reject an appointment within 60 legislative days of the day of receipt of the letter of appointment by the president of the senate, the senate has consented to the appointment.

(b) For appointments that require confirmation by both the senate and the house of representatives, if neither the senate nor the house of representatives has rejected an appointment within 60 legislative days of the later of the day of receipt of the letter of appointment by the president of the senate or the day of receipt of the letter of appointment by the speaker of the house of representatives, the house of representatives and senate have consented to the appointment.

(c) This section does not apply to appointments to the Campaign Finance and Public Disclosure Board under section 10A.02.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 37. Minnesota Statutes 2022, section 15A.0815, subdivision 1, is amended to read:

Subdivision 1. **Salary limits.** ~~The governor or other appropriate appointing authority shall set the salary rates for positions listed in this section within the salary limits listed in subdivisions 2 to 4. The governor's or other appointing authority's action is subject to approval of the Legislative Coordinating Commission and the legislature as provided by subdivision 5 and section 3.855 based upon the salaries prescribed by the Compensation Council established under section 15A.082.~~

EFFECTIVE DATE. This section is effective the day following final enactment and applies to salary rates adopted by the council for fiscal year 2024 and thereafter.

Sec. 38. Minnesota Statutes 2022, section 15A.0815, subdivision 2, is amended to read:

Subd. 2. ~~**Group I salary limits Agency head salaries.** The salary for a position listed in this subdivision shall not exceed 133 percent of the salary of the governor. This limit must be adjusted annually on January 1. The new limit must equal the limit for the prior year increased by the percentage increase, if any, in the Consumer Price Index for all urban consumers from October of the second prior year to October of the immediately prior year be determined by the Compensation Council under section 15A.082. The commissioner of management and budget must publish the limit salaries on the department's website. This subdivision applies to the following positions:~~

Commissioner of administration;

Commissioner of agriculture;

Commissioner of education;

Commissioner of commerce;

Commissioner of corrections;

Commissioner of health;

Commissioner, Minnesota Office of Higher Education;

Commissioner, Minnesota IT Services;

Commissioner, Housing Finance Agency;

Commissioner of human rights;
Commissioner of human services;
Commissioner of labor and industry;
Commissioner of management and budget;
Commissioner of natural resources;
Commissioner, Pollution Control Agency;
Commissioner of public safety;
Commissioner of revenue;
Commissioner of employment and economic development;
Commissioner of transportation; ~~and~~
Commissioner of veterans affairs;
Executive director of the Gambling Control Board;
Executive director of the Minnesota State Lottery;
Commissioner of Iron Range resources and rehabilitation;
Commissioner, Bureau of Mediation Services;
Ombudsman for mental health and developmental disabilities;
Ombudsperson for corrections;
Chair, Metropolitan Council;
Chair, Metropolitan Airports Commission;
School trust lands director;
Executive director of pari-mutuel racing; and
Commissioner, Public Utilities Commission.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to salary rates adopted by the council for fiscal year 2024 and thereafter.

Sec. 39. Minnesota Statutes 2022, section 15A.082, subdivision 1, is amended to read:

Subdivision 1. **Creation.** A Compensation Council is created each odd-numbered year to ~~assist the legislature in establishing~~ establish the compensation of constitutional officers and the heads of state and metropolitan agencies identified in section 15A.0815, and to assist the legislature in

establishing the compensation of justices of the supreme court; and judges of the court of appeals and district court; and the heads of state and metropolitan agencies included in section 15A.0815.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to salary rates adopted by the council for fiscal year 2024 and thereafter.

Sec. 40. Minnesota Statutes 2022, section 15A.082, subdivision 2, is amended to read:

Subd. 2. **Membership.** (a) The Compensation Council consists of ~~16~~ the following members: eight nonjudges appointed by the chief justice of the supreme court, of whom no more than four may belong to the same political party; and one member from each congressional district appointed by the governor, of whom no more than four may belong to the same political party. The speaker and minority leader of the house of representatives must each appoint two members. The majority leader and minority leader of the senate must each appoint two members. Appointments must be made after the first Monday in January and before January 15. The compensation and removal of members appointed by the governor or the chief justice shall be as provided in section 15.059, subdivisions 3 and 4. Members continue to serve until new members are appointed. Members appointed by the governor may not vote on the salary of the governor. The Legislative Coordinating Commission shall provide the council with administrative and support services. The commissioner of management and budget must provide analytical and policy support to the council related to the compensation of agency heads. The provision of analytical and policy support under this subdivision shall not be considered ex parte communication under subdivision 7.

(b) Members appointed under paragraph (a) may not be a:

- (1) current or former judge;
- (2) current lobbyist registered under Minnesota law;
- (3) current employee in the judicial, legislative, or executive branch of state government;
- (4) current or former governor, lieutenant governor, attorney general, secretary of state, or state auditor; or
- (5) current or former legislator, or the spouse of a current legislator.

Sec. 41. Minnesota Statutes 2022, section 15A.082, subdivision 3, is amended to read:

Subd. 3. **Submission of recommendations and determination.** (a) By April 1 in each odd-numbered year, the Compensation Council shall submit to the speaker of the house and the president of the senate salary recommendations for constitutional officers, justices of the supreme court, and judges of the court of appeals and district court. ~~The recommended salary for each other office must take effect on the first Monday in January of the next odd-numbered year, with no more than one adjustment, to take effect on January 1 of the year after that~~ The recommended salaries take effect on July 1 of that year and July 1 of the subsequent even-numbered year and at whatever interval the council recommends thereafter, unless the legislature by law provides otherwise. The salary recommendations for judges and constitutional officers take effect if an appropriation of money to pay the recommended salaries is enacted after the recommendations are submitted and before their effective date. Recommendations may be expressly modified or rejected.

~~(b) The council shall also submit to the speaker of the house and the president of the senate recommendations for the salary ranges of the heads of state and metropolitan agencies, to be effective retroactively from January 1 of that year if enacted into law. The recommendations shall include the appropriate group in section 15A.0815 to which each agency head should be assigned and the appropriate limitation on the maximum range of the salaries of the agency heads in each group, expressed as a percentage of the salary of the governor. By April 1 in each odd-numbered year, the Compensation Council must prescribe salaries for constitutional officers, and for the agency and metropolitan agency heads identified in section 15A.0815. The prescribed salary for each office must take effect July 1 of that year and July 1 of the subsequent even-numbered year and at whatever interval the council determines thereafter, unless the legislature by law provides otherwise. An appropriation by the legislature to fund the relevant office, branch, or agency of an amount sufficient to pay the salaries prescribed by the council constitutes a prescription by law as provided in the Minnesota Constitution, article V, sections 4 and 5.~~

Sec. 42. Minnesota Statutes 2022, section 15A.082, subdivision 4, is amended to read:

Subd. 4. **Criteria.** In making compensation recommendations and determinations, the council shall consider the amount of compensation paid in government service and the private sector to persons with similar qualifications, the amount of compensation needed to attract and retain experienced and competent persons, and the ability of the state to pay the recommended compensation.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to salary rates adopted by the council for fiscal year 2024 and thereafter.

Sec. 43. Minnesota Statutes 2022, section 15A.082, is amended by adding a subdivision to read:

Subd. 7. **No ex parte communications.** Members may not have any communication with a constitutional officer, a head of a state agency, or member of the judiciary during the period after the first meeting is convened under this section and the date the prescribed and recommended salaries are submitted under subdivision 3.

Sec. 44. Minnesota Statutes 2022, section 15A.0825, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

(3) a current employee of the legislature;

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

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

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

Sec. 45. Minnesota Statutes 2022, section 15A.0825, subdivision 2, is amended to read:

Subd. 2. ~~**Initial appointment**~~ **Appointments; convening authority; first meeting in odd-numbered year.** Appointing authorities must make their ~~initial~~ appointments ~~by January 2, 2017~~ after the first Monday in January and before January 15 in each odd-numbered year. Appointing authorities who determine that a vacancy exists under subdivision 3, paragraph (b), must make an appointment to fill that vacancy by January 15 in each odd-numbered year. The governor shall designate one member to convene and chair the first meeting of the council, that must occur by February 15 of each odd-numbered year. ~~The first meeting must be before January 15, 2017.~~ At its first meeting, the council must elect a chair from among its members. ~~Members that reside in an even-numbered congressional district serve a first term ending January 15, 2019. Members residing in an odd-numbered congressional district serve a first term ending January 15, 2021.~~

Sec. 46. Minnesota Statutes 2022, section 15A.0825, subdivision 3, is amended to read:

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

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

Sec. 47. Minnesota Statutes 2022, section 15A.0825, subdivision 4, is amended to read:

Subd. 4. **Appointments following redistricting.** Appointing authorities shall make appointments ~~within three months~~ after a congressional redistricting plan is adopted. Appointing authorities shall make appointments in accordance with the timing requirements in subdivision 2. Members that reside in an even-numbered district shall be appointed to a term of two years following redistricting. Members that reside in an odd-numbered district shall be appointed to a term of four years following redistricting.

Sec. 48. Minnesota Statutes 2022, section 15A.0825, subdivision 9, is amended to read:

Subd. 9. **Staffing.** The Legislative Coordinating Commission shall provide administrative and support services for the council. The provision of administrative and support services under this subdivision shall not be considered ex parte communication under subdivision 10.

Sec. 49. Minnesota Statutes 2022, section 16A.011, is amended by adding a subdivision to read:

Subd. 15a. **Transfer.** A "transfer" means the authorization to move state money from one fund, account, or agency to another fund, account, or agency within the state treasury. When authorized by law, a transfer must reduce money in one fund, account, or agency and increase the same amount to a separate fund, account, or agency.

Sec. 50. Minnesota Statutes 2022, section 16A.055, is amended by adding a subdivision to read:

Subd. 7. **Grant acceptance.** The commissioner may apply for and receive grants from any source for the purpose of fulfilling any of the duties of the department. All funds received under this subdivision are appropriated to the commissioner for the purposes for which the funds are received.

Sec. 51. **[16A.091] ACCOUNTABILITY AND PERFORMANCE MANAGEMENT.**

(a) The commissioner of management and budget is responsible for the coordination, development, assessment, and communication of information, performance measures, planning, and policy concerning the state's future.

(b) The commissioner must develop a statewide system of economic, social, and environmental performance measures. The commissioner must provide information to assist public and elected officials with understanding the status of these performance measures.

(c) The commissioner may appoint one deputy with principal responsibility for planning, strategy, and performance management.

Sec. 52. Minnesota Statutes 2022, section 16A.103, subdivision 1, is amended to read:

Subdivision 1. **State revenue and expenditures.** In February and November each year, the commissioner shall prepare a forecast of state revenue and expenditures. The November forecast must be delivered to the legislature and governor no later than ~~the end of the first week of~~ December 6. The February forecast must be delivered to the legislature and governor by the end of February. Forecasts must be delivered to the legislature and governor on the same day. If requested by the Legislative Commission on Planning and Fiscal Policy, delivery to the legislature must include a presentation to the commission.

Sec. 53. Minnesota Statutes 2022, section 16A.103, subdivision 1b, as amended by Laws 2023, chapter 10, section 2, is amended to read:

Subd. 1b. **Forecast variable.** In determining the rate of inflation, the application of inflation, the amount of state bonding as it affects debt service, the calculation of investment income, and the other variables to be included in the expenditure part of the forecast, the commissioner must consult with the chairs and lead minority members of the senate ~~State Government~~ Finance Committee and the house of representatives Ways and Means Committee, and legislative fiscal staff. This consultation

must occur at least three weeks before the forecast is to be released. No later than two weeks prior to the release of the forecast, the commissioner must inform the chairs and lead minority members of the senate ~~State Government~~ Finance Committee and the house of representatives Ways and Means Committee, and legislative fiscal staff of any changes in these variables from the previous forecast.

Sec. 54. Minnesota Statutes 2022, section 16A.103, is amended by adding a subdivision to read:

Subd. 1i. **Budget close report.** By October 15 of each odd-numbered year, the commissioner shall prepare a detailed fund balance analysis of the general fund for the previous biennium. The analysis shall include a comparison to the most recent publicly available fund balance analysis of the general fund. The commissioner shall provide this analysis to the chairs and ranking minority members of the house of representatives Ways and Means Committee and the senate Finance Committee, and shall post the analysis on the agency's website.

Sec. 55. Minnesota Statutes 2022, section 16A.126, subdivision 1, is amended to read:

Subdivision 1. **Set rates.** The commissioner shall approve the rates an agency must pay to a revolving fund for services. Funds subject to this subdivision include, but are not limited to, the revolving funds established in sections 14.46; 14.53; 16B.2975, subdivision 4; 16B.48; 16B.54; 16B.58; 16B.85; 16E.14; 43A.55; and 176.591; ~~and the fund established in section 43A.30; and the account established in section 16A.1286.~~

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

Sec. 56. Minnesota Statutes 2022, section 16A.1286, subdivision 2, is amended to read:

Subd. 2. **Billing procedures.** The commissioner may bill ~~up to \$10,000,000 in~~ each fiscal year for statewide systems services provided to state agencies, ~~judicial branch agencies, the University of Minnesota in the executive, legislative, and judicial branches, the Minnesota State Colleges and Universities, and other entities.~~ Each entity shall be billed based on that entity's usage of the statewide systems. Each agency shall transfer from agency operating appropriations to the statewide systems account the amount billed by the commissioner. ~~Billing policies and procedures related to statewide systems services must be developed by the commissioner in consultation with the commissioners of management and budget and administration, the University of Minnesota, and the Minnesota State Colleges and Universities.~~ The commissioner shall develop billing policies and procedures.

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

Sec. 57. Minnesota Statutes 2022, section 16A.15, subdivision 3, is amended to read:

Subd. 3. **Allotment and encumbrance.** (a) A payment may not be made without prior obligation. An obligation may not be incurred against any fund, allotment, or appropriation unless the commissioner has certified a sufficient unencumbered balance or the accounting system shows sufficient allotment or encumbrance balance in the fund, allotment, or appropriation to meet it. The commissioner shall determine when the accounting system may be used to incur obligations without the commissioner's certification of a sufficient unencumbered balance. An expenditure or obligation authorized or incurred in violation of this chapter is invalid and ineligible for payment until made valid. A payment made in violation of this chapter is illegal. An employee authorizing or making

the payment, or taking part in it, and a person receiving any part of the payment, are jointly and severally liable to the state for the amount paid or received. If an employee knowingly incurs an obligation or authorizes or makes an expenditure in violation of this chapter or takes part in the violation, the violation is just cause for the employee's removal by the appointing authority or by the governor if an appointing authority other than the governor fails to do so. In the latter case, the governor shall give notice of the violation and an opportunity to be heard on it to the employee and to the appointing authority. A claim presented against an appropriation without prior allotment or encumbrance may be made valid on investigation, review, and approval by the agency head in accordance with the commissioner's policy, if the services, materials, or supplies to be paid for were actually furnished in good faith without collusion and without intent to defraud. The commissioner may then pay the claim just as properly allotted and encumbered claims are paid.

(b) The commissioner may approve payment for materials and supplies in excess of the obligation amount when increases are authorized by section 16C.03, subdivision 3.

(c) To minimize potential construction delay claims, an agency with a project funded by a building appropriation may allow a consultant or contractor to proceed with supplemental work within the limits of the appropriation before money is encumbered. Under this circumstance, the agency may requisition funds and allow consultants or contractors to expeditiously proceed with services or a construction sequence. While the consultant or contractor is proceeding, the agency shall immediately act to encumber the required funds.

Sec. 58. Minnesota Statutes 2022, section 16A.152, subdivision 2, is amended to read:

Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund revenues and expenditures, the commissioner of management and budget determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of management and budget must allocate money to the following accounts and purposes in priority order:

(1) the cash flow account established in subdivision 1 until that account reaches \$350,000,000;

(2) the budget reserve account established in subdivision 1a until that account reaches ~~\$2,377,399,000~~ \$2,852,098,000;

(3) the amount necessary to increase the aid payment schedule for school district aids and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest tenth of a percent without exceeding the amount available and with any remaining funds deposited in the budget reserve; and

(4) the amount necessary to restore all or a portion of the net aid reductions under section 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75, subdivision 5, by the same amount;

~~(5) the amount necessary to increase the Minnesota 21st century fund by not more than the difference between \$5,000,000 and the sum of the amounts credited and canceled to it in the previous 12 months under Laws 2020, chapter 71, article 1, section 11, until the sum of all transfers under this section and all amounts credited or canceled under Laws 2020, chapter 71, article 1, section 11, equals \$20,000,000; and~~

~~(6) for a forecast in November only, the amount remaining after the transfer under clause (5) must be used to reduce the percentage of accelerated June liability sales tax payments required under section 289A.20, subdivision 4, paragraph (b), until the percentage equals zero, rounded to the nearest tenth of a percent. By March 15 following the November forecast, the commissioner must provide the commissioner of revenue with the percentage of accelerated June liability owed based on the reduction required by this clause. By April 15 each year, the commissioner of revenue must certify the percentage of June liability owed by vendors based on the reduction required by this clause.~~

(b) The amounts necessary to meet the requirements of this section are appropriated from the general fund within two weeks after the forecast is released or, in the case of transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations schedules otherwise established in statute.

(c) The commissioner of management and budget shall certify the total dollar amount of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education. The commissioner of education shall increase the aid payment percentage and reduce the property tax shift percentage by these amounts and apply those reductions to the current fiscal year and thereafter.

Sec. 59. Minnesota Statutes 2022, section 16A.152, subdivision 4, is amended to read:

Subd. 4. **Reduction.** (a) If the commissioner determines that probable receipts for the general fund will be less than anticipated, and that the amount available for the remainder of the biennium will be less than needed, the commissioner shall, with the approval of the governor, and after consulting the Legislative Advisory Commission, reduce the amount in the budget reserve account as needed to balance expenditures with revenue.

(b) An additional deficit shall, with the approval of the governor, and after consulting the Legislative Advisory Commission, be made up by reducing unexpended allotments of any prior appropriation or transfer. Notwithstanding any other law to the contrary, the commissioner is empowered to defer or suspend prior statutorily created obligations which would prevent effecting such reductions.

(c) If the commissioner determines that probable receipts for any other fund, appropriation, or item will be less than anticipated, and that the amount available for the remainder of the term of the appropriation or for any allotment period will be less than needed, the commissioner shall notify the agency concerned and then reduce the amount allotted or to be allotted so as to prevent a deficit.

(d) In reducing allotments, the commissioner may consider other sources of revenue available to recipients of state appropriations and may apply allotment reductions based on all sources of revenue available.

(e) In like manner, the commissioner shall reduce allotments to an agency by the amount of any saving that can be made over previous spending plans through a reduction in prices or other cause.

(f) The commissioner is prohibited from reducing an allotment or appropriation made to the legislature.

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

Sec. 60. [16A.2845] APPROPRIATIONS TO OFFICE OF THE GOVERNOR.

Except as provided in this section, section 16A.28 applies to appropriations made to the Office of the Governor. An unexpended balance not carried forward and remaining unexpended and unencumbered at the end of a biennium lapses and shall be returned to the fund from which it was appropriated. Balances may be carried forward into the next biennium and credited to special accounts to be used only as follows: (1) for nonrecurring expenditures on investments that enhance efficiency or improve effectiveness; (2) to pay expenses associated with the work of the office, including public outreach efforts and related activities; and (3) to pay severance costs of involuntary terminations. The approval of the commissioner of management and budget under section 16A.28, subdivision 2, does not apply to the Office of the Governor. An appropriation made to the Office of the Governor may be spent in either year of the biennium.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to appropriations made to the Office of the Governor for fiscal year 2024 and thereafter.

Sec. 61. Minnesota Statutes 2022, section 16A.632, subdivision 2, is amended to read:

Subd. 2. **Standards.** (a) Article XI, section 5, clause (a), of the constitution states general obligation bonds may be issued to finance only the acquisition or betterment of state land, buildings, and improvements of a capital nature. In interpreting this and applying it to the purposes of the program contemplated in this section, the following standards are adopted for the disbursement of money from the capital asset preservation and replacement account:

~~(b) No~~ An appropriation under this section may not be used to acquire new land, or buildings, or major new improvements will be acquired. These projects, including all capital expenditures required to permit their effective use for the intended purpose on completion, will be estimated and provided for individually through a direct appropriation for each project or to construct new buildings or additions.

(c) An expenditure will be made from the account only when it is a capital expenditure on a capital asset previously owned by the state, within the meaning of accepted accounting principles as applied to public expenditures. The commissioner of administration will consult with the commissioner of management and budget to the extent necessary to ensure this and will furnish the commissioner of management and budget a list of projects to be financed from the account in order of their priority. The commissioner shall also furnish each revision of the list. The legislature assumes that many provisions for preservation and replacement of portions of existing capital assets will constitute betterments and capital improvements within the meaning of the constitution and capital expenditures under correct accounting principles, and will be financed more efficiently and economically under the program than by direct appropriations for specific projects. However, the purpose of the program is to accumulate data showing how additional costs may be saved by appropriating money from the general fund for preservation measures, the necessity of which is predictable over short periods.

(d) The commissioner of administration will furnish instructions to agencies to apply for funding of capital expenditures for preservation and replacement from the account, will review applications, will make initial allocations among types of eligible projects enumerated below, will determine

priorities, and will allocate money in priority order until the available appropriation has been committed. An appropriation under this section may not be used to make minor emergency repairs.

(e) Categories of projects considered likely to be most needed and appropriate for financing are the following:

(1) ~~unanticipated emergencies of all kinds, for which a relatively small amount should be initially reserved, replaced from money allocated to low-priority projects, if possible, as emergencies occur, and used for stabilization rather than replacement if the cost would exhaust the account and should be specially appropriated~~ involving impacts to state-owned property;

(2) major projects to remove address life safety hazards, like for existing buildings and sites, including but not limited to security, replacement of mechanical and other building systems, building code violations, or structural defects, at costs not large enough to require major capital requests to the legislature;

(3) ~~elimination~~ removal or containment of hazardous substances like asbestos or PCBs;

(4) ~~moderate cost replacement~~ major projects to replace and repair of roofs, windows, tuckpointing, and structural members necessary to preserve the exterior and interior of existing buildings; and

(5) up to ten percent of an appropriation awarded under this section may be used for design costs for projects eligible to be funded from this account in anticipation of future funding from the account.

Sec. 62. Minnesota Statutes 2022, section 16A.97, is amended to read:

16A.97 TOBACCO BONDS.

The commissioner may sell and issue debt under ~~either or both of sections 16A.98 and section 16A.99, but the net proceeds of bonds issued and sold under those sections together~~ that section must not exceed \$640,000,000 during fiscal years 2012 and 2013.

Sec. 63. Minnesota Statutes 2022, section 16B.307, subdivision 1, is amended to read:

Subdivision 1. **Standards.** (a) Article XI, section 5, clause (a), of the constitution requires that state general obligation bonds be issued to finance only the acquisition or betterment of public land, buildings, and other public improvements of a capital nature. Money appropriated for asset preservation, whether from state bond proceeds or from other revenue, is subject to the following additional limitations:

(b) An appropriation for asset preservation may not be used to acquire new land nor to acquire or construct new buildings, or additions to buildings, ~~or major new improvements.~~

(c) An appropriation for asset preservation may be used only for a capital expenditure on a capital asset previously owned by the state, within the meaning of generally accepted accounting principles as applied to public expenditures. The commissioner of administration will consult with the commissioner of management and budget to the extent necessary to ensure this and will furnish the commissioner of management and budget a list of projects to be financed from the account in

order of their priority. The legislature assumes that many projects for preservation and replacement of portions of existing capital assets will constitute betterments and capital improvements within the meaning of the constitution and capital expenditures under generally accepted accounting principles, and will be financed more efficiently and economically under this section than by direct appropriations for specific projects.

(d) Categories of projects considered likely to be most needed and appropriate for asset preservation appropriations are the following:

(1) major projects to ~~remove~~ address life safety hazards, like for existing buildings and sites, including but not limited to security, building code violations, or structural defects. Notwithstanding paragraph (b), a project in this category may include an addition to an existing building if it is a required component of the hazard ~~removal~~ abatement project;

(2) projects to eliminate or contain hazardous substances like asbestos or lead paint;

(3) major projects to address accessibility and building code violations; replace or repair roofs, windows, tuckpointing, mechanical or, electrical, plumbing or other building systems, utility infrastructure, and tunnels; make site ~~renovations~~ improvements necessary to support building use; and repair structural components necessary to preserve the exterior and interior of existing buildings; and

(4) major projects to ~~renovate~~ repair parking structures facilities and surface lots.

(e) Up to ten percent of an appropriation subject to this section may be used for design costs for projects eligible to be funded under this section in anticipation of future asset preservation appropriations.

Sec. 64. Minnesota Statutes 2022, section 16B.32, subdivision 1, is amended to read:

Subdivision 1. **Alternative energy sources.** ~~Plans prepared by the commissioner for a new building or for a renovation of 50 percent or more of an existing building or its energy systems must include designs which use active and passive solar energy systems, earth sheltered construction, and other alternative energy sources where feasible.~~ (a) If the incorporation of cost-effective energy efficiency measures into the design, materials, and operations of a building or major building renovation subject to section 16B.325 is not sufficient to meet Sustainable Building 2030 energy performance standards required under section 216B.241, subdivision 9, cost-effective renewable energy sources or solar thermal energy systems, or both, must be deployed to achieve those standards.

(b) The commissioners of administration and commerce shall review compliance of building designs and plans subject to this section with Sustainable Building 2030 performance standards developed under section 216B.241, subdivision 9, and shall make recommendations to the legislature as necessary to ensure that those performance standards are met.

(c) For the purposes of this section:

(1) "energy efficiency" has the meaning given in section 216B.2402, subdivision 7;

(2) "renewable energy" has the meaning given in section 216B.2422, subdivision 1, paragraph (c), and includes hydrogen generated from wind, solar, or hydroelectric; and

(3) "solar thermal energy systems" has the meaning given to "qualifying solar thermal project" in section 216B.2411, subdivision 2, paragraph (e).

Sec. 65. Minnesota Statutes 2022, section 16B.32, subdivision 1a, is amended to read:

~~Subd. 1a. **Onsite energy generation from renewable sources.** A state agency that prepares a predesign for a new building must consider meeting at least two percent of the energy needs of the building from renewable sources located on the building site. For purposes of this subdivision, "renewable sources" are limited to wind and the sun. The predesign must include an explicit cost and price analysis of complying with the two percent requirement compared with the present and future costs of energy supplied by a public utility from a location away from the building site and the present and future costs of controlling carbon emissions. If the analysis concludes that the building should not meet at least two percent of its energy needs from renewable sources located on the building site, the analysis must provide explicit reasons why not. The building may not receive further state appropriations for design or construction unless at least two percent of its energy needs are designed to be met from renewable sources, unless the commissioner finds that the reasons given by the agency for not meeting the two percent requirement were supported by evidence in the record. The total aggregate nameplate capacity of all renewable energy sources utilized to meet Sustainable Building 2030 standards in a state-owned building or facility, including any subscription to a community solar garden under section 216B.1641, may not exceed 120 percent of the average annual electric energy consumption of the state-owned building or facility.~~

Sec. 66. Minnesota Statutes 2022, section 16B.33, subdivision 1, is amended to read:

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

(b) "Agency" has the meaning given in section 16B.01.

(c) "Architect" means an architect or landscape architect registered to practice under sections 326.02 to 326.15.

(d) "Board" means the state Designer Selection Board.

(e) "Design-build" means the process of entering into and managing a single contract between the commissioner and the design-builder in which the design-builder agrees to both design and construct a project as specified in the contract at a guaranteed maximum or a fixed price.

(f) "Design-builder" means a person who proposes to design and construct a project in accordance with the requirements of section 16C.33.

(g) "Designer" means an architect or engineer, or a partnership, association, or corporation comprised primarily of architects or engineers or of both architects and engineers.

(h) "Engineer" means an engineer registered to practice under sections 326.02 to 326.15.

(i) "Person" includes an individual, corporation, partnership, association, or any other legal entity.

(j) "Primary designer" means the designer who is to have primary design responsibility for a project, and does not include designers who are merely consulted by the user agency and do not have substantial design responsibility, or designers who will or may be employed or consulted by the primary designer.

(k) "Project" means an undertaking to construct, erect, or remodel a building by or for the state or an agency. Capital projects exempt from the requirements of this section include demolition or decommissioning of state assets; hazardous materials abatement; repair and replacement of utility infrastructure, parking lots, and parking structures; security upgrades; building systems replacement or repair, including alterations to building interiors needed to accommodate the systems; and other asset preservation work not involving remodeling of occupied space.

(l) "User agency" means the agency undertaking a specific project. For projects undertaken by the state of Minnesota, "user agency" means the Department of Administration or a state agency with an appropriate delegation to act on behalf of the Department of Administration.

Sec. 67. Minnesota Statutes 2022, section 16B.33, subdivision 3, is amended to read:

Subd. 3. **Agencies must request designer.** (a) **Application.** Upon undertaking a project with an estimated cost greater than ~~\$2,000,000~~ \$4,000,000 or a planning project with estimated fees greater than ~~\$200,000~~ \$400,000, every user agency, except the Capitol Area Architectural and Planning Board, shall submit a written request for a primary designer for its project to the commissioner, who shall forward the request to the board. The University of Minnesota and the Minnesota State Colleges and Universities shall follow the process in subdivision 3a to select designers for their projects. The written request must include a description of the project, the estimated cost of completing the project, a description of any special requirements or unique features of the proposed project, and other information which will assist the board in carrying out its duties and responsibilities set forth in this section.

(b) **Reactivated project.** If a project for which a designer has been selected by the board becomes inactive, lapses, or changes as a result of project phasing, insufficient appropriations, or other reasons, the commissioner, the Minnesota State Colleges and Universities, or the University of Minnesota may, if the project is reactivated, retain the same designer to complete the project.

(c) **Fee limit reached after designer selected.** If a project initially estimated to be below the cost and planning fee limits of this subdivision has its cost or planning fees revised so that the limits are exceeded, the project must be referred to the board for designer selection even if a primary designer has already been selected. In this event, the board may, without conducting interviews, elect to retain the previously selected designer if it determines that the interests of the state are best served by that decision and shall notify the commissioner of its determination.

Sec. 68. Minnesota Statutes 2022, section 16B.33, subdivision 3a, is amended to read:

Subd. 3a. **Higher education projects.** (a) When the University of Minnesota or the Minnesota State Colleges and Universities undertakes a project involving construction or major remodeling, as defined in section 16B.335, subdivision 1, with an estimated cost greater than ~~\$2,000,000~~

\$4,000,000 or a planning project with estimated fees greater than ~~\$200,000~~ \$400,000, the system shall submit a written request for a primary designer to the commissioner, as provided in subdivision 3.

(b) When the University of Minnesota or the Minnesota State Colleges and Universities undertakes a project involving renovation, repair, replacement, or rehabilitation, the system office may submit a written request for a primary designer to the commissioner as provided in subdivision 3.

(c) For projects at the University of Minnesota or the State Colleges and Universities, the board shall select at least two primary designers under subdivision 4 for recommendation to the Board of Regents or the Board of Trustees. Meeting records or written evaluations that document the final selection are public records. The Board of Regents or the Board of Trustees shall notify the commissioner of the designer selected from the recommendations.

Sec. 69. Minnesota Statutes 2022, section 16B.33, is amended by adding a subdivision to read:

Subd. 6. **Rate of inflation.** No later than December 31 of every fifth year starting in 2025, the commissioner shall determine the percentage increase in the rate of inflation, as measured by the Means Quarterly Construction Cost Index, during the four-year period preceding that year. The thresholds in subdivisions 3, paragraph (a); and 3a, paragraph (a), shall be increased by the percentage calculated by the commissioner to the nearest ten-thousandth dollar.

Sec. 70. **[16B.361] OFFICE OF COLLABORATION AND DISPUTE RESOLUTION.**

Subdivision 1. **Duties of the office.** The commissioner of administration shall maintain the Office of Collaboration and Dispute Resolution within the Department of Administration. The office must:

(1) assist state agencies; offices of the executive, legislative, and judicial branches; Tribal governments; and units of local government in improving collaboration, dispute resolution, and public engagement;

(2) promote and utilize collaborative dispute resolution models and processes based on documented best practices to foster trust, relationships, mutual understanding, consensus-based resolutions, and wise and durable solutions, including but not limited to:

(i) using established criteria and procedures for identifying and assessing collaborative dispute resolution projects;

(ii) designing collaborative dispute resolution processes;

(iii) preparing and training participants; and

(iv) facilitating meetings and group processes using collaborative techniques and approaches;

(3) support collaboration and dispute resolution in the public and private sectors by providing technical assistance and information on best practices and new developments in dispute resolution fields;

(4) build capacity and educate the public and government entities on collaboration, dispute resolution approaches, and public engagement;

(5) promote the broad use of community mediation in the state; and

(6) ensure that all areas of the state have access to services by providing grants to private nonprofit entities certified by the state court administrator under chapter 494 that assist in resolution of disputes.

Subd. 2. **Awarding grants to assist in resolution of disputes.** (a) The commissioner shall, to the extent funds are appropriated for this purpose, make grants to private nonprofit community mediation entities certified by the state court administrator under chapter 494 that assist in resolution of disputes under subdivision 1, clause (6). The commissioner shall establish a grant review committee to assist in the review of grant applications and the allocation of grants under this section.

(b) To be eligible for a grant under this section, a nonprofit organization must meet the requirements of section 494.05, subdivision 1, clauses (1), (2), (4), and (5).

(c) A nonprofit entity receiving a grant must agree to comply with guidelines adopted by the state court administrator under section 494.015, subdivision 1. Policies adopted under sections 16B.97 and 16B.98 apply to grants under this section. The exclusions in section 494.03 apply to grants under this section.

(d) Grantees must report data required under chapter 494 to evaluate quality and outcomes.

Subd. 3. **Accepting funds.** The commissioner may apply for and receive money made available from federal, state, or other sources for the purposes of carrying out the mission of the Office of Collaboration and Dispute Resolution. Funds received under this subdivision are appropriated to the commissioner for their intended purpose.

Sec. 71. **[16B.372] ENVIRONMENTAL SUSTAINABILITY GOVERNMENT OPERATIONS; OFFICE CREATED.**

Subdivision 1. **Enterprise sustainability.** The Office of Enterprise Sustainability is established to assist all state agencies in making measurable progress toward improving the sustainability of government operations by reducing the impact on the environment, controlling unnecessary waste of natural resources and public funds, and spurring innovation. The office shall create new tools and share best practices, assist state agencies to plan for and implement improvements, and monitor progress toward achieving intended outcomes. Specific duties include but are not limited to:

(1) managing a sustainability metrics and reporting system, including a public dashboard that allows Minnesotans to track progress and is updated annually;

(2) assisting agencies in developing and executing sustainability plans; and

(3) implementing the state building energy conservation improvement revolving loan in Minnesota Statutes, sections 16B.86 and 16B.87.

Subd. 2. **State agency responsibilities.** Each cabinet-level agency is required to participate in the sustainability effort by developing a sustainability plan and by making measurable progress toward improving associated sustainability outcomes. State agencies and boards that are not members

of the cabinet shall take steps toward improving sustainability outcomes. However, they are not required to participate at the level of cabinet-level agencies.

Subd. 3. **Local governments.** The Office of Enterprise Sustainability shall make reasonable attempts to share tools and best practices with local governments.

Sec. 72. **[16B.373] OFFICE OF ENTERPRISE TRANSLATIONS.**

Subdivision 1. **Office establishment.** (a) The commissioner shall establish an Office of Enterprise Translations. The office must:

(1) provide translation services for written material for executive agencies;

(2) create and maintain language-specific landing webpages in Spanish, Hmong, and Somali and other languages that may be determined by the commissioner, in consultation with the state demographer, with links to translated materials at state agency websites; and

(3) serve as a resource to executive agencies in areas such as best practices and standards for the translation of written materials.

(b) The commissioner shall determine the process and requirements for state agencies to request translations of written materials.

Subd. 2. **Language access service account established.** The language access service account is created in the special revenue fund for reimbursing state agencies for expenses incurred in providing language translation services.

Sec. 73. Minnesota Statutes 2022, section 16B.4805, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** "Reasonable accommodation" as used in this section has the meaning given in section 363A.08. "State agency" as used in this section has the meaning given in section 16A.011, subdivision 12. "Reasonable accommodations eligible for reimbursement" means:

(1) reasonable accommodations provided to applicants for employment;

(2) reasonable accommodations for employees for services that will need to be provided on a periodic or ongoing basis; or

(3) reasonable accommodations that involve onetime expenses that total more than ~~\$1,000~~ \$500 for an employee in a fiscal year.

Sec. 74. Minnesota Statutes 2022, section 16B.58, is amended by adding a subdivision to read:

Subd. 9. **Electric vehicle charging.** The commissioner may require that a user of a charging station located on the State Capitol complex used to charge an electric vehicle pay an electric service fee as determined by the commissioner.

Sec. 75. Minnesota Statutes 2022, section 16B.87, subdivision 2, is amended to read:

Subd. 2. **Award and terms of loans.** (a) An agency shall apply for a loan on a form developed by the commissioner of administration that requires an applicant to submit the following information:

(1) a description of the proposed project, including existing equipment, structural elements, operating characteristics, and other conditions affecting energy use that the energy conservation improvements financed by the loan modify or replace;

(2) the total estimated project cost and the loan amount sought;

(3) a detailed project budget;

(4) projections of the proposed project's expected energy and monetary savings;

(5) information demonstrating the agency's ability to repay the loan;

(6) a description of the energy conservation programs offered by the utility providing service to the state building from which the applicant seeks additional funding for the project; and

(7) any additional information requested by the commissioner.

(b) The committee shall review applications for loans and shall award a loan based upon criteria adopted by the committee. A loan made under this section must:

(1) be at or below the market rate of interest, including a zero interest loan; and

(2) have a term no longer than ~~seven~~ ten years.

(c) In making awards, the committee shall give preference to:

(1) applicants that have sought funding for the project through energy conservation projects offered by the utility serving the state building that is the subject of the application; and

(2) to the extent feasible, applications for state buildings located within the electric retail service area of the utility that is subject to section 116C.779.

Sec. 76. Minnesota Statutes 2022, section 16C.10, subdivision 2, is amended to read:

Subd. 2. **Emergency acquisition.** The solicitation process described in this chapter and chapter 16B is not required in emergencies. In emergencies, the commissioner may make or authorize any purchases necessary for the design, construction, repair, rehabilitation, and improvement of a ~~state-owned~~ publicly owned structure or may make or authorize an agency to do so and may purchase, or may authorize an agency to purchase, any goods, services, or utility services directly for immediate use. This provision applies to projects conducted by Minnesota State Colleges and Universities.

Sec. 77. Minnesota Statutes 2022, section 16C.16, subdivision 6, is amended to read:

Subd. 6. **Purchasing methods.** (a) The commissioner may award up to a ~~six~~ 12 percent preference for specified goods or services to small targeted group businesses.

(b) The commissioner may award a contract for goods, services, or construction directly to a small business or small targeted group business without going through a competitive solicitation process up to a total contract award value, including extension options, of ~~\$25,000~~ \$100,000.

(c) The commissioner may designate a purchase of goods or services for award only to small businesses or small targeted group businesses if the commissioner determines that at least three small businesses or small targeted group businesses are likely to respond to a solicitation.

(d) The commissioner, as a condition of awarding a construction contract or approving a contract for professional or technical services, may set goals that require the prime contractor to subcontract a portion of the contract to small businesses or small targeted group businesses. The commissioner must establish a procedure for granting waivers from the subcontracting requirement when qualified small businesses or small targeted group businesses are not reasonably available. The commissioner may establish financial incentives for prime contractors who exceed the goals for use of small business or small targeted group business subcontractors and financial penalties for prime contractors who fail to meet goals under this paragraph. The subcontracting requirements of this paragraph do not apply to prime contractors who are small businesses or small targeted group businesses.

Sec. 78. Minnesota Statutes 2022, section 16C.16, subdivision 6a, is amended to read:

Subd. 6a. **Veteran-owned small businesses.** (a) Except when mandated by the federal government as a condition of receiving federal funds, the commissioner shall award up to a ~~six~~ 12 percent preference, but no less than the percentage awarded to any other group under this section, on state procurement to certified small businesses that are majority-owned and operated by veterans.

(b) The commissioner may award a contract for goods, services, or construction directly to a veteran-owned small business without going through a competitive solicitation process up to a total contract award value, including extension options, of ~~\$25,000~~ \$100,000.

(c) The commissioner may designate a purchase of goods or services for award only to a veteran-owned small business if the commissioner determines that at least three veteran-owned small businesses are likely to respond to a solicitation.

(d) The commissioner, as a condition of awarding a construction contract or approving a contract for professional or technical services, may set goals that require the prime contractor to subcontract a portion of the contract to a veteran-owned small business. The commissioner must establish a procedure for granting waivers from the subcontracting requirement when qualified veteran-owned small businesses are not reasonably available. The commissioner may establish financial incentives for prime contractors who exceed the goals for use of veteran-owned small business subcontractors and financial penalties for prime contractors who fail to meet goals under this paragraph. The subcontracting requirements of this paragraph do not apply to prime contractors who are veteran-owned small businesses.

(e) The purpose of this designation is to facilitate the transition of veterans from military to civilian life, and to help compensate veterans for their sacrifices, including but not limited to their sacrifice of health and time, to the state and nation during their military service, as well as to enhance economic development within Minnesota.

(f) Before the commissioner certifies that a small business is majority-owned and operated by a veteran, the commissioner of veterans affairs must verify that the owner of the small business is a veteran, as defined in section 197.447.

Sec. 79. Minnesota Statutes 2022, section 16C.16, subdivision 7, is amended to read:

Subd. 7. **Economically disadvantaged areas.** (a) The commissioner may award up to a ~~six~~ 12 percent preference on state procurement to small businesses located in an economically disadvantaged area.

(b) The commissioner may award a contract for goods, services, or construction directly to a small business located in an economically disadvantaged area without going through a competitive solicitation process up to a total contract award value, including extension options, of ~~\$25,000~~ \$100,000.

(c) The commissioner may designate a purchase of goods or services for award only to a small business located in an economically disadvantaged area if the commissioner determines that at least three small businesses located in an economically disadvantaged area are likely to respond to a solicitation.

(d) The commissioner, as a condition of awarding a construction contract or approving a contract for professional or technical services, may set goals that require the prime contractor to subcontract a portion of the contract to a small business located in an economically disadvantaged area. The commissioner must establish a procedure for granting waivers from the subcontracting requirement when qualified small businesses located in an economically disadvantaged area are not reasonably available. The commissioner may establish financial incentives for prime contractors who exceed the goals for use of subcontractors that are small businesses located in an economically disadvantaged area and financial penalties for prime contractors who fail to meet goals under this paragraph. The subcontracting requirements of this paragraph do not apply to prime contractors who are small businesses located in an economically disadvantaged area.

(e) A business is located in an economically disadvantaged area if:

(1) the owner resides in or the business is located in a county in which the median income for married couples is less than 70 percent of the state median income for married couples;

(2) the owner resides in or the business is located in an area designated a labor surplus area by the United States Department of Labor; or

(3) the business is a certified rehabilitation facility or extended employment provider as described in chapter 268A.

(f) The commissioner may designate one or more areas designated as targeted neighborhoods under section 469.202 or as border city enterprise zones under section 469.166 as economically disadvantaged areas for purposes of this subdivision if the commissioner determines that this designation would further the purposes of this section. If the owner of a small business resides or is employed in a designated area, the small business is eligible for any preference provided under this subdivision.

(g) The Department of Revenue shall gather data necessary to make the determinations required by paragraph (e), clause (1), and shall annually certify counties that qualify under paragraph (e), clause (1). An area designated a labor surplus area retains that status for 120 days after certified small businesses in the area are notified of the termination of the designation by the United States Department of Labor.

Sec. 80. Minnesota Statutes 2022, section 16C.19, is amended to read:

16C.19 ELIGIBILITY; RULES.

(a) A small business wishing to participate in the programs under section 16C.16, subdivisions 4 to 7, must be certified by the commissioner or, if authorized by the commissioner, by a nationally recognized certifying organization. The commissioner may choose to authorize a nationally recognized certifying organization if the certification requirements are substantially the same as those adopted under the rules authorized in this section and the business meets the requirements in section 16C.16, subdivision 2.

(b) The commissioner shall adopt by rule standards and procedures for certifying that small targeted group businesses, small businesses located in economically disadvantaged areas, and veteran-owned small businesses are eligible to participate under the requirements of sections 16C.16 to 16C.21. The commissioner shall adopt by rule standards and procedures for hearing appeals and grievances and other rules necessary to carry out the duties set forth in sections 16C.16 to 16C.21.

~~(b)~~ (c) The commissioner may make rules which exclude or limit the participation of nonmanufacturing business, including third-party lessors, brokers, franchises, jobbers, manufacturers' representatives, and others from eligibility under sections 16C.16 to 16C.21.

~~(c)~~ (d) The commissioner may make rules that set time limits and other eligibility limits on business participation in programs under sections 16C.16 to 16C.21.

~~(d)~~ (e) Notwithstanding paragraph (a), for purposes of sections 16C.16 to 16C.21, a veteran-owned small business, the principal place of business of which is in Minnesota, is certified if:

(1) it has been verified by the United States Department of Veterans Affairs as being either a veteran-owned small business or a service-disabled veteran-owned small business, in accordance with Public Law 109-461 and Code of Federal Regulations, title 38, part 74; or

(2) the veteran-owned small business supplies the commissioner with proof that the small business is majority-owned and operated by:

(i) a veteran as defined in section 197.447; or

(ii) a veteran with a service-connected disability, as determined at any time by the United States Department of Veterans Affairs.

~~(e)~~ (f) Until rules are adopted pursuant to paragraph (a) for the purpose of certifying veteran-owned small businesses, the provisions of Minnesota Rules, part 1230.1700, may be read to include veteran-owned small businesses. In addition to the documentation required in Minnesota

Rules, part 1230.1700, the veteran owner must have been discharged under honorable conditions from active service, as indicated by the veteran owner's most current United States Department of Defense form DD-214.

~~(f)~~ (g) Notwithstanding paragraph (a), for purposes of sections 16C.16 to 16C.21, a minority- or woman-owned small business, the principal place of business of which is in Minnesota, is certified if it has been certified by the Minnesota unified certification program under the provisions of Code of Federal Regulations, title 49, part 26, and a Tribal-owned small business, the principal place of business of which is in Minnesota, is certified if it has been certified by the Small Business Administration (SBA) 8(a) program under the provisions of Code of Federal Regulations, title 13, part 124.

~~(g)~~ (h) The commissioner may adopt rules to implement the programs under section 16C.16, subdivisions 4 to 7, using the expedited rulemaking process in section 14.389.

Sec. 81. Minnesota Statutes 2022, section 16C.251, is amended to read:

16C.251 BEST AND FINAL OFFER.

A "best and final offer" solicitation process may not be used for building and construction contracts awarded based on competitive bids.

Sec. 82. Minnesota Statutes 2022, section 16C.32, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in sections 16C.32 to 16C.35, the following terms have the meanings given them, unless the context clearly indicates otherwise:

(1) "acceptance" means a formal resolution of the commissioner authorizing the execution of a design-build, construction manager at risk, or job order contracting contract;

(2) "agency" means any state officer, employee, board, commission, authority, department, or other agency of the executive branch of state government. Unless specifically indicated otherwise, as used in sections 16C.32 to 16C.35, agency also includes the Minnesota State Colleges and Universities;

(3) "architect" means an architect or landscape architect registered to practice under sections 326.02 to 326.15;

(4) "board" means the state Designer Selection Board, unless the estimated cost of the project is less than ~~\$2,000,000~~ the amount specified in section 16B.33, subdivision 3, in which case the commissioner may act as the board;

(5) "Capitol Area Architectural and Planning Board" means the board established to govern the Capitol Area under chapter 15B;

(6) "commissioner" means the commissioner of administration or the Board of Trustees of the Minnesota State Colleges and Universities, whichever controls a project;

(7) "construction manager at risk" means a person who is selected by the commissioner to act as a construction manager to manage the construction process, which includes, but is not limited

to, responsibility for the price, schedule, and workmanship of the construction performed in accordance with the procedures of section 16C.34;

(8) "construction manager at risk contract" means a contract for construction of a project between a construction manager at risk and the commissioner, which contract shall include a guaranteed maximum price, construction schedule, and workmanship of the construction performed;

(9) "design-build contract" means a contract between the commissioner and a design-builder to furnish the architectural, engineering, and related design services as well as the labor, materials, supplies, equipment, and construction services for a project;

(10) "design and price-based proposal" means the proposal to be submitted by a design-builder in the design and price-based selection process, as described in section 16C.33, which proposal meets the requirements of section 16C.33, subdivision 7, paragraph (c), in such detail as required in the request for proposals;

(11) "design and price-based selection" means the selection of a design-builder as described in section 16C.33, subdivision 8;

(12) "design criteria package" means performance criteria prepared by a design criteria professional who shall be either an employee of the commissioner or shall be selected in compliance with section 16B.33, 16C.08, or 16C.087;

(13) "design criteria professional" means a person licensed under chapter 326, or a person who employs an individual or individuals licensed under chapter 326, required to design a project, and who is employed by or under contract to the commissioner to provide professional, architectural, or engineering services in connection with the preparation of the design criteria package;

(14) "guaranteed maximum price" means the maximum amount that a design-builder, construction manager at risk, or subcontractor will be paid pursuant to a contract to perform a defined scope of work;

(15) "guaranteed maximum price contract" means a contract under which a design-builder, construction manager, or subcontractor is paid on the basis of their actual cost to perform the work specified in the contract plus an amount for overhead and profit, the sum of which must not exceed the guaranteed maximum price set forth in the contract;

(16) "job order contracting" means a project delivery method that requests a limited number of bids from a list of qualified contractors, selected from a registry of qualified contractors who have been prescreened and who have entered into master contracts with the commissioner, as provided in section 16C.35;

(17) "past performance" or "experience" does not include the exercise or assertion of a person's legal rights;

(18) "person" includes an individual, corporation, partnership, association, or any other legal entity;

(19) "project" means an undertaking to construct, alter, or enlarge a building, structure, or other improvements, except highways and bridges, by or for the state or an agency;

(20) "qualifications-based selection" means the selection of a design-builder as provided in section 16C.33;

(21) "request for qualifications" means the document or publication soliciting qualifications for a design-build, construction manager at risk, or job order contracting contract as provided in sections 16C.33 to 16C.35;

(22) "request for proposals" means the document or publication soliciting proposals for a design-build or construction manager at risk contract as provided in sections 16C.33 and 16C.34; and

(23) "trade contract work" means the furnishing of labor, materials, or equipment by contractors or vendors that are incorporated into the completed project or are major components of the means of construction. Work performed by trade contractors involves specific portions of the project, but not the entire project.

Sec. 83. Minnesota Statutes 2022, section 16C.36, is amended to read:

16C.36 REORGANIZATION SERVICES UNDER MASTER CONTRACT.

The commissioner of administration must make available under a master contract program a list of eligible contractors who can assist state agencies in using data analytics to:

(1) accomplish agency reorganization along service rather than functional lines in order to provide more efficient and effective service; and

(2) bring about internal reorganization of management functions in order to flatten the organizational structure by requiring that decisions are made closer to the service needed, eliminating redundancies, and optimizing the span of control ratios to public and private sector industry benchmarks.

~~The commissioner of administration must report to the legislature by January 15, 2013, and January 15, 2014, on state agency use of eligible contractors under this section, and on improvements in efficiency and effectiveness, including the contract oversight process, of state services as a result of services provided by contractors.~~

Sec. 84. Minnesota Statutes 2022, section 43A.04, subdivision 7, is amended to read:

Subd. 7. **Reporting.** The commissioner shall issue a written report by February 1 and August 1 of each year to the chair of the Legislative Coordinating Commission. The report must list the number of appointments made under each of the categories in section 43A.15, the number made to the classified service other than under section 43A.15, and the number made under section 43A.08, subdivision 2a, during the six-month periods ending June 30 and December 31, respectively. The report must be posted online and must be accessible under section 16E.03. The commissioner shall advertise these reports in multiple formats to ensure broad dissemination.

Sec. 85. Minnesota Statutes 2022, section 43A.06, subdivision 1, is amended to read:

Subdivision 1. **General.** (a) The commissioner shall perform the duties assigned to the commissioner by this section and sections 3.855, and 179A.01 to 179A.25 ~~and this section.~~

(b) The commissioner shall be the state labor negotiator for purposes of negotiating and administering agreements with exclusive representatives of employees and shall perform any other duties delegated by the commissioner subject to the limitations in paragraph (c).

(c) The Board of Trustees of the Minnesota State Colleges and Universities may exercise the powers under this section for employees included in the units provided in section 179A.10, subdivision 2, clauses (9), (10), and (11) ~~of section 179A.10, subdivision 2,~~ except with respect to sections 43A.22 to 43A.31, which shall continue to be the responsibility of the commissioner. The commissioner shall have the right to review and comment to the Minnesota State Colleges and Universities on the board's final proposals prior to exchange of final positions with the designated bargaining units as well as any requests for interest arbitration. The legislature encourages the Board of Trustees, in coordination with the commissioner of management and budget and the Board of Regents of the University of Minnesota, to endeavor in collective bargaining negotiations to seek fiscal balance recognizing the ability of the employer to fund the agreements or awards. ~~When submitting a proposed collective bargaining agreement to the Legislative Coordinating Commission and the legislature under section 3.855, subdivision 2, the Board of Trustees must use procedures and assumptions consistent with those used by the commissioner in calculating the costs of the proposed contract. The Legislative Coordinating Commission must, when considering a collective bargaining agreement or arbitration award submitted by the Board of Trustees, evaluate market conditions affecting the employees in the bargaining unit, equity with other bargaining units in the executive branch, and the ability of the trustees and the state to fund the agreement or award.~~

Sec. 86. Minnesota Statutes 2022, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. **Unclassified positions.** Unclassified positions are held by employees who are:

- (1) chosen by election or appointed to fill an elective office;
- (2) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions, and institutions specifically established by law in the unclassified service;
- (3) deputy and assistant agency heads and one confidential secretary in the agencies listed in subdivision 1a ~~and in the Office of Strategic and Long Range Planning;~~
- (4) the confidential secretary to each of the elective officers of this state and, for the secretary of state and state auditor, an additional deputy, clerk, or employee;
- (5) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;
- (6) employees in the offices of the governor and of the lieutenant governor and one confidential employee for the governor in the Office of the Adjutant General;
- (7) employees of the Washington, D.C., office of the state of Minnesota;

(8) employees of the legislature and of legislative committees or commissions; provided that employees of the Legislative Audit Commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;

(9) presidents, vice-presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants, and student employees eligible under terms of the federal Economic Opportunity Act work study program in the Perpich Center for Arts Education and the Minnesota State Colleges and Universities, but not the custodial, clerical, or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions;

(10) officers and enlisted persons in the National Guard;

(11) attorneys, legal assistants, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;

(12) judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the Department of Labor and Industry;

(13) members of the State Patrol; provided that selection and appointment of State Patrol troopers must be made in accordance with applicable laws governing the classified service;

(14) examination monitors and intermittent training instructors employed by the Departments of Management and Budget and Commerce and by professional examining boards and intermittent staff employed by the technical colleges for the administration of practical skills tests and for the staging of instructional demonstrations;

(15) student workers;

(16) executive directors or executive secretaries appointed by and reporting to any policy-making board or commission established by statute;

(17) employees unclassified pursuant to other statutory authority;

(18) intermittent help employed by the commissioner of agriculture to perform duties relating to pesticides, fertilizer, and seed regulation;

(19) the administrators and the deputy administrators at the State Academies for the Deaf and the Blind; and

(20) chief executive officers in the Department of Human Services.

Sec. 87. Minnesota Statutes 2022, section 43A.18, subdivision 1, is amended to read:

Subdivision 1. **Collective bargaining agreements.** Except as provided in section 43A.01 and to the extent they are covered by a collective bargaining agreement, the compensation, terms and conditions of employment for all employees represented by an exclusive representative certified pursuant to chapter 179A shall be governed solely by the collective bargaining agreement executed by the parties and approved by the legislature.

Sec. 88. Minnesota Statutes 2022, section 137.0245, subdivision 2, is amended to read:

Subd. 2. **Membership.** The Regent Candidate Advisory Council shall consist of 24 members. Twelve members shall be appointed by the ~~Subcommittee on Committees of the Committee on Rules and Administration~~ majority leader of the senate. Twelve members shall be appointed by the speaker of the house. Each appointing authority must appoint one member who is a student enrolled in a degree program at the University of Minnesota at the time of appointment. No more than one-third of the members appointed by each appointing authority may be current or former legislators. No more than two-thirds of the members appointed by each appointing authority may belong to the same political party; however, political activity or affiliation is not required for the appointment of any member. Geographical representation must be taken into consideration when making appointments. Section 15.0575 shall govern the advisory council, except that:

(1) the members shall be appointed to six-year terms with one-third appointed each even-numbered year; and

(2) student members are appointed to two-year terms with two students appointed each even-numbered year.

A member may not serve more than two full terms.

Sec. 89. Minnesota Statutes 2022, section 137.0245, is amended by adding a subdivision to read:

Subd. 6. **Public meetings.** Meetings of the council or subcommittees of the council must be open to the public and are subject to section 3.055.

Sec. 90. Minnesota Statutes 2022, section 138.081, subdivision 3, is amended to read:

Subd. 3. **Administration of federal act.** The ~~Department of Administration~~ Minnesota Historical Society is designated as the state agency to administer the provisions of the federal act providing for the preservation of historical and archaeological data, United States Code, title ~~46~~ 54, ~~sections 469 to 469C~~ section 312501, as amended, insofar as the provisions of the act provide for implementation by the state.

Sec. 91. Minnesota Statutes 2022, section 138.665, subdivision 2, is amended to read:

Subd. 2. **Mediation Consultation.** The state, state departments, agencies, and political subdivisions, including the Board of Regents of the University of Minnesota, have a responsibility to protect the physical features and historic character of properties designated in sections 138.662 and 138.664 or listed on the National Register of Historic Places created by Public Law 89-665. Before carrying out any undertaking that will affect designated or listed properties, or funding or licensing an undertaking by other parties, the state department or agency shall consult with the State Historic Preservation Office pursuant to ~~the society's~~ the State Historic Preservation Office's established procedures to determine appropriate treatments and to seek ways to avoid and mitigate any adverse effects on designated or listed properties. If the state department or agency and the State Historic Preservation Office agree in writing on a suitable course of action, the project may proceed. If the parties cannot agree, any one of the parties may request that the governor appoint and convene a mediation task force consisting of five members, two appointed by the governor, the chair of the

State Review Board of the State Historic Preservation Office, the commissioner of administration or the commissioner's designee, and one member ~~who is not an employee of the Minnesota Historical Society~~ appointed by the director of the Minnesota Historical Society. The two appointees of the governor and ~~the one~~ of the director of the society shall be qualified by training or experience in one or more of the following disciplines: (1) history; (2) archaeology; and (3) architectural history. The mediation task force is not subject to the conditions of section 15.059. This subdivision does not apply to section 138.662, subdivision 24, and section 138.664, subdivisions 8 and 111.

Sec. 92. **[138.705] CAPITOL BUILDING ELECTROLIER.**

The Minnesota Historical Society must light the Capitol building electrolier during regular business hours on any days during which the legislature is convened in a regular or special session, and during special events, when requested jointly by the chief clerk of the house of representatives and the secretary of the senate. The historical society must coordinate with the chief clerk of the house of representatives and the secretary of the senate for the purpose of keeping the electrolier lit when either body of the legislature is expected to meet outside of regular business hours.

Sec. 93. Minnesota Statutes 2022, section 138.912, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The healthy eating, here at home program is established to provide incentives for low-income Minnesotans to use federal Supplemental Nutrition Assistance Program (SNAP) benefits for healthy purchases at Minnesota-based farmers' markets, mobile markets, and direct-farmer sales, including community-supported agriculture shares.

Sec. 94. Minnesota Statutes 2022, section 138.912, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Healthy eating, here at home" means a program administered by the Minnesota Humanities Center to provide incentives for low-income Minnesotans to use SNAP benefits for healthy purchases at Minnesota-based farmers' markets.

(c) "Healthy purchases" means SNAP-eligible foods.

(d) "Minnesota-based farmers' market" means a physical market as defined in section 28A.151, subdivision 1, paragraph (b), and also includes mobile markets and direct-farmer sales, including through a community-supported agriculture model.

(e) "Voucher" means a physical or electronic credit.

(f) "Eligible household" means an individual or family that is determined to be a recipient of SNAP.

Sec. 95. Minnesota Statutes 2022, section 145.951, is amended to read:

145.951 IMPLEMENTATION PLAN; STATEWIDE PROGRAM FOR FAMILIES.

The commissioner of health, in consultation with the commissioners of education; corrections; public safety; and human services, and with the ~~directors~~ director of the ~~Office of Strategic and Long-Range Planning~~, the Council on Disability; and the councils and commission under sections

3.922, 3.9221, and 15.0145, may develop an implementation plan for the establishment of a statewide program to assist families in developing the full potential of their children. The program must be designed to strengthen the family, to reduce the risk of abuse to children, and to promote the long-term development of children in their home environments. The program must also be designed to use volunteers to provide support to parents, and to link parents with existing public health, education, and social services as appropriate.

Sec. 96. Minnesota Statutes 2022, section 155A.23, subdivision 8, is amended to read:

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

Sec. 97. Minnesota Statutes 2022, section 155A.23, subdivision 18, is amended to read:

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

Sec. 98. Minnesota Statutes 2022, section 155A.23, is amended by adding a subdivision to read:

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

EFFECTIVE DATE. This section is effective on or after July 1, 2024.

Sec. 99. Minnesota Statutes 2022, section 155A.27, subdivision 1, is amended to read:

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

Sec. 100. Minnesota Statutes 2022, section 155A.27, subdivision 5a, is amended to read:

Subd. 5a. **Temporary military license.** The board shall establish temporary licenses for a cosmetologist, hair technician, nail technician, and esthetician in accordance with section 197.4552.

Sec. 101. Minnesota Statutes 2022, section 155A.27, subdivision 10, is amended to read:

Subd. 10. **Nonresident licenses.** (a) A nonresident cosmetologist, hair technician, nail technician, ~~or~~ esthetician may be licensed in Minnesota if the individual has completed cosmetology school in a state or country with the same or greater school hour requirements, has an active license in that state or country, and has passed a board-approved theory and practice-based examination, the Minnesota-specific written operator examination for cosmetologist, hair technician, nail technician, ~~or~~ esthetician. If a test is used to verify the qualifications of trained cosmetologists, the test should

be translated into the nonresident's native language within the limits of available resources. Licenses shall not be issued under this subdivision for managers or instructors.

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

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

Sec. 102. **[155A.2705] HAIR TECHNICIAN REQUIREMENTS AND TRAINING.**

Subdivision 1. Age requirement. An applicant for a hair technician license must be at least 17 years of age.

Subd. 2. Application. A complete application for a hair technician license must include the following:

- (1) a completed application form;
- (2) payment of the fees required by section 155A.25;
- (3) passing test results achieved no more than one year before the submission of the application of the following board-approved tests for the license for a hair technician:
 - (i) the general theory test;
 - (ii) the written practical test; and
 - (iii) the test on Minnesota Laws and Rules related to providing hair technician services; and
- (4) proof of completion of training in the form of the original course completion certificate with the notarized signatures of the school manager or owner documenting the successful completion of the required training under subdivision 3. If the completed training is more than five years old, a skills course certificate no more than one year old must also be submitted.

Subd. 3. Training. Hair technician training must be completed at a Minnesota-licensed cosmetology school. The training must consist of 900 hours of coursework and planned clinical instruction and experience that includes:

- (1) the first 300 hours of the hair technology course that includes:
 - (i) student orientation;
 - (ii) preclinical instruction in the theory of sciences, including:

(A) muscle and bone structure and function;

(B) properties of the hair and scalp;

(C) disorders and diseases of the hair and scalp;

(D) chemistry as related to hair technology; and

(E) electricity and light related to the practice of hair technology;

(iii) theory and preclinical instruction on client and service safety prior to students offering services;

(iv) introductory service skills that are limited to the observation of an instructor demonstration, student use of mannequins, or student-to-student application of basic services related to hair technology;

(v) Minnesota statutes and rules pertaining to the regulation of hair technology;

(vi) health and safety instruction that includes:

(A) chemical safety;

(B) safety data sheets;

(C) personal protective equipment (PPE);

(D) hazardous substances; and

(E) laws and regulations related to health and public safety; and

(vii) infection control to protect the health and safety of the public and technician that includes:

(A) disinfectants;

(B) disinfectant procedures;

(C) cleaning and disinfection;

(D) single use items;

(E) storage of tools, implements, and linens; and

(F) other implements and equipment used in salons and schools;

(2) 300 hours in hair cutting and styling that includes hair and scalp analysis, cleaning, scalp and hair conditioning, hair design and shaping, drying, arranging, curling, dressing, waving, and nonchemical straightening; and

(3) 300 hours in chemical hair services that includes hair and scalp analysis, dying, bleaching, reactive chemicals, keratin, hair coloring, permanent straightening, permanent waving, predisposition and strand tests, safety precautions, chemical mixing, color formulation, and the use of dye removers.

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

Sec. 103. Minnesota Statutes 2022, section 155A.271, subdivision 1, is amended to read:

Subdivision 1. **Continuing education requirements.** (a) To qualify for license renewal under this chapter as an individual cosmetologist, hair technician, nail technician, esthetician, advanced practice esthetician, eyelash technician, or salon manager, the applicant must complete four hours of continuing education credits from a board-approved continuing education provider during the three years prior to the applicant's renewal date. One credit hour of the requirement must include instruction pertaining to state laws and rules governing the practice of cosmetology. Three credit hours must include instruction pertaining to health, safety, and infection control matters consistent with the United States Department of Labor's Occupational Safety and Health Administration standards applicable to the practice of cosmetology, or other applicable federal health, infection control, and safety standards, and must be regularly updated so as to incorporate newly developed standards and accepted professional best practices. Credit hours earned are valid for three years and may be applied simultaneously to all individual licenses held by a licensee under this chapter.

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

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

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

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

Sec. 104. Minnesota Statutes 2022, section 155A.29, subdivision 1, is amended to read:

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

Sec. 105. Minnesota Statutes 2022, section 161.1419, subdivision 2, is amended to read:

Subd. 2. **Members.** (a) The commission shall be composed of 15 members of whom:

- (1) one shall be appointed by the commissioner of transportation;
- (2) one shall be appointed by the commissioner of natural resources;
- (3) one shall be appointed by the director of Explore Minnesota Tourism;
- (4) one shall be appointed by the commissioner of agriculture;
- (5) one shall be appointed by the director of the Minnesota Historical Society;
- (6) two shall be members of the senate to be appointed by the Committee on Committees;
- (7) two shall be members of the house of representatives to be appointed by the speaker;
- (8) one shall be the secretary appointed pursuant to subdivision 3; and

(9) five shall be citizen members appointed to staggered four-year terms by the commission after receiving recommendations from five citizen committees established by the members appointed under clauses (1) to (8), with each citizen committee established within and representing each of the following geographic segments along the Mississippi River:

- (i) Lake Itasca to but not including the city of Grand Rapids;
- (ii) Grand Rapids to but not including the city of Brainerd;
- (iii) Brainerd to but not including the city of Elk River;
- (iv) Elk River to but not including the city of Hastings; and
- (v) Hastings to the Iowa border.

Each citizen ~~committee~~ member shall be a resident of the geographic segment that the ~~committee~~ ~~and~~ member represents.

(b) The members of the commission appointed in paragraph (a), clauses (1) to (8), shall serve for a term expiring at the close of each regular session of the legislature and until their successors are appointed.

(c) Successor members shall be appointed by the same appointing authorities. Members may be reappointed. Any vacancy shall be filled by the appointing authority. The commissioner of transportation, the commissioner of natural resources, and the director of the Minnesota Historical Society shall be ex officio members, and shall be in addition to the 15 members heretofore provided for. Immediately upon making the appointments to the commission the appointing authorities shall so notify the Mississippi River Parkway Commission, hereinafter called the National Commission, giving the names and addresses of the members so appointed.

Sec. 106. Minnesota Statutes 2022, section 179A.03, subdivision 14, is amended to read:

Subd. 14. **Public employee or employee.** (a) "Public employee" or "employee" means any person appointed or employed by a public employer except:

- (1) elected public officials;
- (2) election officers;
- (3) commissioned or enlisted personnel of the Minnesota National Guard;
- (4) emergency employees who are employed for emergency work caused by natural disaster;
- (5) part-time employees whose service does not exceed the lesser of 14 hours per week or 35 percent of the normal work week in the employee's appropriate unit;
- (6) employees whose positions are basically temporary or seasonal in character and: (i) are not for more than 67 working days in any calendar year; or (ii) are not for more than 100 working days in any calendar year and the employees are under the age of 22, are full-time students enrolled in a nonprofit or public educational institution prior to being hired by the employer, and have indicated, either in an application for employment or by being enrolled at an educational institution for the next academic year or term, an intention to continue as students during or after their temporary employment;
- (7) employees providing services for not more than two consecutive quarters to the Board of Trustees of the Minnesota State Colleges and Universities under the terms of a professional or technical services contract as defined in section 16C.08, subdivision 1;
- (8) employees of charitable hospitals as defined by section 179.35, subdivision 3, except that employees of charitable hospitals as defined by section 179.35, subdivision 3, are public employees for purposes of sections 179A.051, 179A.052, and 179A.13;
- (9) full-time undergraduate students employed by the school which they attend under a work-study program or in connection with the receipt of financial aid, irrespective of number of hours of service per week;
- (10) an individual who is employed for less than 300 hours in a fiscal year as an instructor in an adult vocational education program;
- ~~(11) an individual hired by the Board of Trustees of the Minnesota State Colleges and Universities to teach one course for three or fewer credits for one semester in a year;~~
- ~~(12)~~ (11) with respect to court employees:
 - (i) personal secretaries to judges;
 - (ii) law clerks;
 - (iii) managerial employees;
 - (iv) confidential employees; and
 - (v) supervisory employees;

~~(13)~~ (12) with respect to employees of Hennepin Healthcare System, Inc., managerial, supervisory, and confidential employees.

(b) The following individuals are public employees regardless of the exclusions of paragraph (a), clauses (5) ~~and (6)~~ to (7):

(1) an employee hired by a school district or the Board of Trustees of the Minnesota State Colleges and Universities except at the university established in the Twin Cities metropolitan area under section 136F.10 or for community services or community education instruction offered on a noncredit basis: (i) to replace an absent teacher or faculty member who is a public employee, where the replacement employee is employed more than 30 working days as a replacement for that teacher or faculty member; or (ii) to take a teaching position created due to increased enrollment, curriculum expansion, courses which are a part of the curriculum whether offered annually or not, or other appropriate reasons;

(2) an employee hired for a position under paragraph (a), clause (6), item (i), if that same position has already been filled under paragraph (a), clause (6), item (i), in the same calendar year and the cumulative number of days worked in that same position by all employees exceeds 67 calendar days in that year. For the purpose of this paragraph, "same position" includes a substantially equivalent position if it is not the same position solely due to a change in the classification or title of the position; ~~and~~

(3) an early childhood family education teacher employed by a school district; and

(4) an individual hired by the Board of Trustees of the Minnesota State Colleges and Universities as the instructor of record to teach (i) one class for more than three credits in a fiscal year, or (ii) two or more credit-bearing classes in a fiscal year.

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

Sec. 107. Minnesota Statutes 2022, section 179A.22, subdivision 4, is amended to read:

Subd. 4. **Agreements.** The commissioner of management and budget is authorized to enter into agreements with exclusive representatives as provided in section 43A.06, subdivisions 1, paragraph (b), and 3. The Board of Trustees of the Minnesota State Colleges and Universities is authorized to enter into agreements with exclusive representatives as provided in section 43A.06, subdivision 1, paragraph (c). The negotiated agreements and any related arbitration ~~decision~~ decisions must be submitted to the legislature to be accepted or rejected in accordance with this section and section 3.855 implemented by the commissioner of management and budget or the Board of Trustees of the Minnesota State Colleges and Universities respectively, following the approval of the tentative agreement by exclusive representatives.

Sec. 108. Minnesota Statutes 2022, section 307.08, is amended to read:

307.08 DAMAGES; ILLEGAL MOLESTATION OF HUMAN REMAINS; BURIALS; CEMETERIES; PENALTY; AUTHENTICATION ASSESSMENT.

Subdivision 1. **Legislative intent; scope.** It is a declaration and statement of legislative intent that all human burials, human remains, and human burial grounds shall be accorded equal treatment

and respect for human dignity without reference to their ethnic origins, cultural backgrounds, or religious affiliations. The provisions of this section shall apply to all human burials, human remains, or human burial grounds found on or in all public or private lands or waters in Minnesota. Within the boundaries of Tribal Nation reservations, nothing in this section should be interpreted to conflict with federal law, including the Native American Graves Protection and Repatriation Act (NAGPRA), United States Code, title 25, section 3001 et seq., and its implementing regulations, Code of Federal Regulations, title 43, part 10.

Subd. 2. **Felony; gross misdemeanor.** (a) A person who intentionally, willfully, ~~and~~ or knowingly does any of the following is guilty of a felony:

(1) destroys, mutilates, or injures human burials ~~or~~ human burial grounds, or associated grave goods; or

(2) without the consent of the appropriate authority, disturbs human burial grounds or removes human remains or associated grave goods.

(b) A person who, without the consent of the appropriate authority and the landowner, intentionally, willfully, ~~and~~ or knowingly does any of the following is guilty of a gross misdemeanor:

(1) removes any tombstone, monument, or structure placed in any public or private cemetery or ~~authenticated~~ assessed human burial ground; or

(2) removes any fence, railing, natural stone, or other work erected for protection or ornament, or any tree, shrub, or plant ~~or grave goods and artifacts~~ within the limits of a public or private cemetery or ~~authenticated~~ assessed human burial ground; or

(3) discharges any firearms upon or over the grounds of any public or private cemetery or ~~authenticated~~ assessed burial ground.

(c) A person who intentionally, willfully, or knowingly fails to comply with any other provision of this section is guilty of a misdemeanor.

Subd. 3. **Protective posting.** Upon the agreement of the appropriate authority and the landowner, an authenticated or recorded human burial ground may be posted for protective purposes every 75 feet around its perimeter with signs listing the activities prohibited by subdivision 2 and the penalty for violation of it. Posting is at the discretion of the Indian affairs council in the case of American Indian burials or at the discretion of the state archaeologist in the case of ~~non-Indian non-American Indian~~ Indian burials. This subdivision does not require posting of a burial ground. The size, description, location, and information on the signs used for protective posting must be approved by the appropriate authority and the landowner.

Subd. 3a. **Authentication Cemeteries; records and condition assessments.** ~~The state archaeologist shall authenticate all burial grounds for purposes of this section. The state archaeologist may retain the services of a qualified professional archaeologist, a qualified physical anthropologist, or other appropriate experts for the purpose of gathering information that the state archaeologist can use to authenticate or identify burial grounds. If probable Indian burial grounds are to be disturbed or probable Indian remains analyzed, the Indian Affairs Council must approve the professional archaeologist, qualified anthropologist, or other appropriate expert. Authentication is at the discretion~~

~~of the state archaeologist based on the needs identified in this section or upon request by an agency, a landowner, or other appropriate authority.~~ (a) Cemeteries shall be assessed according to this subdivision.

(b) The state archaeologist shall implement and maintain a system of records identifying the location of known, recorded, or suspected cemeteries. The state archaeologist shall provide access to the records as provided in subdivision 11.

(c) The cemetery condition assessment of non-American Indian cemeteries is at the discretion of the state archaeologist based on the needs identified in this section or upon request by an agency, a landowner, or other appropriate authority.

(d) The cemetery condition assessment of American Indian cemeteries is at the discretion of the Indian Affairs Council based on the needs identified in this section or upon request by an agency, a landowner, or other appropriate authority. If the Indian Affairs Council has possession or takes custody of remains they may follow United States Code, title 25, sections 3001 to 3013.

(e) The cemetery condition assessment of cemeteries that include American Indian and non-American Indian remains or include remains whose ancestry cannot be determined shall be assessed at the discretion of the state archaeologist in collaboration with the Indian Affairs Council based on the needs identified in this section or upon request by an agency, a landowner, or other appropriate authority.

(f) The state archaeologist and the Indian Affairs Council shall have 90 days from the date a request is received to begin a cemetery condition assessment or provide notice to the requester whether or not a condition assessment of a cemetery is needed.

(g) The state archaeologist and the Indian Affairs Council may retain the services of a qualified professional archaeologist, a qualified forensic anthropologist, or other appropriate experts for the purpose of gathering information that the state archaeologist or the Indian Affairs Council can use to assess or identify cemeteries.

Subd. 5. ~~Cost; use of data.~~ The cost of ~~authentication~~ condition assessment, recording, surveying, and marking burial grounds and the cost of identification, analysis, rescue, and reburial of human remains on public lands or waters shall be the responsibility of the state or political subdivision controlling the lands or waters. On private lands or waters these costs ~~shall~~ may be borne by the state, ~~but may be borne by~~ or the landowner upon mutual agreement with the state. ~~The state archaeologist must make the data collected for this activity available using standards adopted by the Department of Information Technology Services and geospatial technology standards and guidelines published by the Minnesota Geospatial Information Office. Costs associated with this data delivery must be borne by the state.~~

Subd. 7. **Remains found outside of recorded cemeteries.** (a) All unidentified human remains or burials found outside of recorded cemeteries or unplatted graves or burials found within recorded cemeteries and in contexts which indicate antiquity greater than 50 years shall be treated with the utmost respect for all human dignity and dealt with according to the provisions of this section.

(b) If such burials are not American Indian or their ethnic identity cannot be ascertained, as determined by the state archaeologist, they shall be dealt with in accordance with provisions established by the state archaeologist and other appropriate authority.

(c) If such burials are American Indian, as determined by the state archaeologist and Indian Affairs Council, efforts shall be made ~~by the state archaeologist and the Indian Affairs Council to ascertain their tribal identity. If their probable tribal identity can be determined and the remains have been removed from their original context, such remains shall be turned over to contemporary tribal leaders for disposition. If tribal identity cannot be determined, the Indian remains must be dealt with in accordance with provisions established by the state archaeologist and the Indian Affairs Council if they are from public land. If removed Indian remains are from private land they shall be dealt with in accordance with provisions established by the Indian Affairs Council. If it is deemed desirable by the state archaeologist or the Indian Affairs Council, removed remains shall be studied in a timely and respectful manner by a qualified professional archaeologist or a qualified physical anthropologist before being delivered to tribal leaders or before being reburied to follow procedures as defined in United States Code, title 25, section 3001 et seq., and its implementing regulations, Code of Federal Regulations, title 43, part 10, within reservation boundaries. For burials outside of reservation boundaries, the procedures defined in United States Code, title 25, section 3001 et seq., and its implementing regulations, Code of Federal Regulations, title 43, part 10, are at the discretion of the Indian Affairs Council.~~

Subd. 7a. **Landowner responsibilities.** Application by a landowner for permission to develop or disturb nonburial areas within ~~authenticated~~ assessed or recorded burial grounds shall be made to:

(1) the state archaeologist and other appropriate authority in the case of ~~non-Indian~~ non-American Indian burials; and ~~to~~

(2) the Indian Affairs Council and other appropriate authority in the case of American Indian burials.

(b) Landowners with ~~authenticated~~ assessed or suspected human burial grounds on their property are obligated to inform prospective buyers of the burial ground.

Subd. 8. **Burial ground relocation.** No ~~non-Indian~~ non-American Indian burial ground may be relocated without the consent of the appropriate authority. No American Indian burial ground may be relocated unless the request to relocate is approved by the Indian Affairs Council. When a burial ground is located on public lands or waters, any burial relocations must be duly licensed under section 138.36 and the cost of removal is the responsibility of and shall be paid by the state or political subdivision controlling the lands or waters. If burial grounds are ~~authenticated~~ assessed on private lands, efforts may be made by the state to purchase and protect them instead of removing them to another location.

Subd. 9. **Interagency cooperation.** (a) The state archaeologist and the Indian Affairs Council shall enter into a memorandum of understanding to coordinate their responsibilities under this section.

(b) The Department of Natural Resources, the Department of Transportation, and all other state agencies and local governmental units whose activities may be affected, shall cooperate with the state archaeologist and the Indian Affairs Council to carry out the provisions of this section.

Subd. 10. **Construction and development plan review.** When human burials are known or suspected to exist, on public lands or waters, the state or political subdivision controlling the lands or waters or, in the case of private lands, the landowner or developer, shall submit construction and development plans to the state archaeologist for review ~~prior to the time bids are advertised~~ before plans are finalized and prior to any disturbance within the burial area. If the known or suspected burials are thought to be American Indian, plans shall also be submitted to the Indian Affairs Council. The state archaeologist and the Indian Affairs Council shall review the plans within ~~30~~ 45 days of receipt and make recommendations for the preservation in place or removal of the human burials or remains, which may be endangered by construction or development activities.

Subd. 11. **Burial sites data.** (a) ~~Burial sites locational and related data maintained by data under the authority of the Office of the State Archaeologist and accessible through the office's "Unplatted Burial Sites and Earthworks in Minnesota" website or Indian Affairs Council~~ are security information for purposes of section 13.37. Persons who gain access to ~~the data maintained on the site~~ this data are subject to liability under section 13.08 and the penalty established by section 13.09 if they improperly use or further disseminate the data. Use of this information must be approved by the appropriate authority.

Subd. 12. **Right of entry.** The state archaeologist or designee may enter on property for the purpose of ~~authenticating~~ assessing burial sites. The Indian Affairs Council or a designated representative of the Indian Affairs Council may enter on property for the purpose of assessing or identifying American Indian cemeteries. Only after obtaining permission from the property owner or lessee, descendants of persons buried in burial grounds covered by this section may enter the burial grounds for the purpose of conducting religious or commemorative ceremonies. This right of entry must not unreasonably burden property owners or unnecessarily restrict their use of the property.

Subd. 13. **Definitions.** As used in this section, the following terms have the meanings given.

(a) "Abandoned cemetery" means a cemetery where the cemetery association has disbanded or the cemetery is neglected and contains marked graves older than 50 years.

(b) "Appropriate authority" means:

(1) the trustees when the trustees have been legally defined to administer burial grounds;

(2) the Indian Affairs Council in the case of American Indian burial grounds lacking trustees;

(3) the county board in the case of abandoned cemeteries under section 306.243; and

(4) the state archaeologist in the case of ~~non-Indian~~ non-American Indian burial grounds lacking trustees or not officially defined as abandoned.

(c) "Artifacts" means natural or artificial articles, objects, implements, or other items of archaeological interest.

(d) ~~"Authenticate"~~ "Assess" means to establish the presence of or high potential of human burials or human skeletal remains being located in a discrete area, ~~delimit the boundaries of human burial grounds or graves,~~ and attempt to determine the ethnic, cultural, or religious affiliation of individuals interred.

(e) "Burial" means the organic remnants of the human body that were intentionally interred as part of a mortuary process.

(f) "Burial ground" means a discrete location that is known to contain or has high potential to contain human remains based on physical evidence, historical records, or reliable informant accounts.

(g) "Cemetery" means a discrete location that is known to contain or intended to be used for the interment of human remains.

(h) "Disturb" means any activity that ~~significantly~~ harms the physical integrity or setting of a human burial or human burial ground.

(i) "Grave goods" means objects or artifacts directly associated with human burials or human burial grounds that were placed as part of a mortuary ritual at the time of interment.

(j) "Human remains" means the ~~calcified portion of the human body~~ of a deceased person in whole or in part, regardless of the state of decomposition, not including isolated teeth, ~~or cremated remains deposited in a container or discrete feature.~~

(k) "Identification" means to analyze organic materials to attempt to determine if they represent human remains and to attempt to establish the ethnic, cultural, or religious affiliations of such remains.

(l) "Marked" means a burial that has a recognizable tombstone or obvious grave marker in place or a legible sign identifying an area as a burial ground or cemetery.

(m) "Qualified physical anthropologist" means a specialist in identifying human remains who holds an advanced degree in anthropology or a closely related field.

(n) "Qualified professional archaeologist" means an archaeologist who meets the United States Secretary of the Interior's professional qualification standards in Code of Federal Regulations, title 36, part 61, appendix A, or subsequent revisions.

(o) "Recorded cemetery" means a cemetery that has a surveyed plat filed in a county recorder's office.

(p) "State" or "the state" means the state of Minnesota or an agency or official of the state acting in an official capacity.

(q) "Trustees" means the recognized representatives of the original incorporators, board of directors, or cemetery association.

(r) "Person" means a natural person or a business and includes both if the natural person is engaged in a business.

(s) "Business" means a contractor, subcontractor, supplier, consultant, or provider of technical, administrative, or physical services organized as a sole proprietorship, partnership, association, corporation, or other entity formed for the purpose of doing business for profit.

Sec. 109. Minnesota Statutes 2022, section 349A.02, subdivision 1, is amended to read:

Subdivision 1. **Director.** A State Lottery is established under the supervision and control of a director. The director of the State Lottery shall be appointed by the governor with the advice and consent of the senate. The director serves in the unclassified service at the pleasure of the governor. The annual salary rate authorized for the director is ~~equal to 95 percent of the salary rate prescribed for the governor~~ established through the process described under section 15A.0815.

EFFECTIVE DATE. This section is effective the day following final enactment. Any recommendations made by the Compensation Council in 2023 determine salaries for fiscal years 2024 and 2025.

Sec. 110. Minnesota Statutes 2022, section 381.12, subdivision 2, is amended to read:

Subd. 2. **Expense, tax levy.** The county board of any county may levy a tax upon all the taxable property in the county for the purpose of defraying the expense incurred, or to be incurred, less any amount received from the public system monument grant program under section 381.125, for:

- (1) the preservation and restoration of monuments under this section;
- (2) the preservation or establishment of control monuments for mapping activities;
- (3) the modernization of county land records through the use of parcel-based land management systems; or
- (4) the establishment of geographic (GIS), land (LIS), management (MIS) information systems.

Sec. 111. **[381.125] PUBLIC LAND SURVEY SYSTEM MONUMENT GRANT PROGRAM.**

Subdivision 1. **Grant program.** The chief geospatial information officer, through the Geospatial Advisory Council established under section 16E.30, subdivision 8, shall work with the stakeholders licensed as land surveyors under section 326.02, to develop a process for accepting applications from counties for funding for the perpetuation of monuments established by the United States in the public lands survey to mark public land survey corners, as provided in section 381.12, subdivision 2, clause (1). Grants may also be used to update records and data regarding monuments. The chief geospatial information officer must establish criteria for prioritizing applicants when resources available for grants are not sufficient to award grants to all applicants. The criteria must favor providing grants to counties that demonstrate financial need for assistance.

Subd. 2. **Report.** By October 1, in each odd-numbered year, the chief geospatial information officer must submit a report to the chairs and ranking minority members of the committees in the senate and the house of representatives with jurisdiction over state government and local government. The report must include the following:

(1) a summary of the chief geospatial information officer activities regarding administration of this grant program for the previous fiscal year, including the amount of money requested and disbursed by county;

(2) an assessment of the progress toward completion of necessary monument restoration and certification by county; and

(3) a forecast of the amount needed to complete monument recertification in all counties.

Subd. 3. **Nonstate match.** No nonstate match is required for grants made under this program.

Sec. 112. Minnesota Statutes 2022, section 383B.32, subdivision 2, is amended to read:

Subd. 2. **Unclassified service.** (a) The unclassified service comprises:

- (1) officers chosen by election or appointment to fill an elective office;
- (2) members of boards and commissions appointed by the county board;
- (3) physicians, medical residents, interns, and students in training;
- (4) nonsalaried attending medical staff;
- (5) special sheriff's deputies serving without pay;
- (6) seasonal, temporary, provisional, intermittent, and emergency positions;
- (7) positions funded by specific governmental or nongovernmental grants of intermittent or limited funding duration;
- (8) the director or principal administrative officer of a department appointed pursuant to sections 383B.101 to 383B.103; or appointed by the county board; or appointed for a term pursuant to law;
- (9) chief deputy or principal assistant and secretary for each elected official;
- (10) examiner of titles and deputy examiners;
- (11) chief ~~criminal~~ public safety services deputy sheriff, a chief ~~civil~~ adult detention and court services deputy sheriff, a chief administrative deputy sheriff, ~~and a chief financial services~~ community relations deputy sheriff, and a chief investigations deputy sheriff;
- (12) public defender;
- (13) county medical examiner;
- (14) office staff appointed by the county administrator pursuant to sections 383B.101 to 383B.103; and
- (15) county administrator.

(b) Notwithstanding any contrary provision of other law, any person coming within paragraph (a), clause (8), who, on August 1, 2000, is in the classified service, remains in the classified service until vacating the position. After that, an appointee to a position described in paragraph (a), clause (8), is in the unclassified service.

Sec. 113. Minnesota Statutes 2022, section 462A.22, subdivision 10, is amended to read:

Subd. 10. **Audits.** All of the books and records of the agency shall be subject to audit by the legislative auditor in the manner prescribed for other agencies of state government. The agency is authorized also to employ and to contract in its resolutions and indentures for the employment of public accountants for the audit of books and records pertaining to any fund or funds. ~~The legislative auditor shall review contracts with public accountants as provided in section 3.972.~~

Sec. 114. Minnesota Statutes 2022, section 507.0945, is amended to read:

507.0945 ADMINISTRATION.

(a) An Electronic Real Estate Recording Commission ~~administered by the Legislative Coordinating Commission~~ is created to evaluate and must then may adopt standards to implement sections 507.0941 to 507.0948.

(b) The Electronic Real Estate Recording Commission shall consist of the following:

(1) three members appointed by the Minnesota Association of County Officials who are county employees, including one from within the seven-county metropolitan area, one from outside the seven-county metropolitan area, and at least one of whom is a county recorder and at least one of whom is a registrar of titles;

(2) one member appointed by the Minnesota Land Title Association;

(3) one member who represents the Minnesota Bankers Association;

(4) one member who represents the Section of Real Property Law of the Minnesota State Bar Association;

(5) one nonvoting member who is appointed by the other members of the commission and an expert in the technological aspects of electronic real estate recording; and

(6) one member who is the state archivist appointed pursuant to section 138.17.

(c) Members of the Electronic Real Estate Recording Commission shall serve four-year terms, except that (1) the initial appointments of county employees shall be for two years and (2) the expert in the technological aspects of electronic real estate recording shall serve at the pleasure of a majority of the other members of the commission. All initial terms shall commence on July 1, 2008. Members shall serve until their successors are appointed. Any member may be reappointed for successive terms.

(d) The state archivist shall call the first meeting of the Electronic Real Estate Recording Commission. At the first meeting and biennially thereafter, the commission shall elect from its membership a chair and vice-chair to serve two-year terms. Meetings may be called by the chair or

the vice-chair ~~or the director of the Legislative Coordinating Commission~~. Meetings shall be held as often as necessary, but at least once a year.

(e) A majority of the voting members of the Electronic Real Estate Recording Commission constitutes a quorum to do business, and a majority of a quorum may act in any matter within the jurisdiction of the commission.

(f) As soon as practicable and as needed thereafter, the Electronic Real Estate Recording Commission shall identify the information technology and any other expertise it requires and report its needs to the Legislative Coordinating Commission. ~~The Electronic Real Estate Recording Commission also shall report any other expertise it needs to fulfill its responsibilities. The Legislative Coordinating Commission shall provide support services, including meeting space, as needed for the Electronic Real Estate Recording Commission to carry out its duties in an effective manner committees of the house of representatives and the senate that have jurisdiction.~~

Sec. 115. Minnesota Statutes 2022, section 645.44, subdivision 5, as amended by Laws 2023, chapter 5, section 2, is amended to read:

Subd. 5. **Holiday.** (a) "Holiday" includes New Year's Day, January 1; Martin Luther King's Birthday, the third Monday in January; Washington's and Lincoln's Birthday, the third Monday in February; Memorial Day, the last Monday in May; Juneteenth, June 19; Independence Day, July 4; Labor Day, the first Monday in September; ~~Christopher Columbus~~ Indigenous Peoples Day, the second Monday in October; Veterans Day, November 11; Thanksgiving Day, the fourth Thursday in November; and Christmas Day, December 25; provided, when New Year's Day, January 1; or Juneteenth, June 19; or Independence Day, July 4; or Veterans Day, November 11; or Christmas Day, December 25; falls on Sunday, the following day shall be a holiday and, provided, when New Year's Day, January 1; or Juneteenth, June 19; or Independence Day, July 4; or Veterans Day, November 11; or Christmas Day, December 25; falls on Saturday, the preceding day shall be a holiday. No public business shall be transacted on any holiday, except in cases of necessity and except in cases of public business transacted by the legislature, nor shall any civil process be served thereon. However, for the executive branch of the state of Minnesota, "holiday" also includes the Friday after Thanksgiving but does not include ~~Christopher Columbus~~ Indigenous Peoples Day. Other branches of state government and political subdivisions shall have the option of determining whether ~~Christopher Columbus~~ Indigenous Peoples Day and the Friday after Thanksgiving shall be holidays. Where it is determined that ~~Columbus Day~~ Indigenous Peoples Day or the Friday after Thanksgiving is not a holiday, public business may be conducted thereon.

(b) Any agreement between a public employer and an employee organization citing Veterans Day as the fourth Monday in October shall be amended to cite Veterans Day as November 11.

(c) Any agreement between a public employer and an employee organization citing "~~Christopher Columbus Day~~" or "~~Columbus Day~~" shall be amended to cite "Indigenous Peoples Day."

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

Sec. 116. Laws 2023, chapter 5, section 1, is amended by adding an effective date to read:

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

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

Sec. 117. Laws 2023, chapter 5, section 2, is amended by adding an effective date to read:

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

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

Sec. 118. **STATE EMBLEMS REDESIGN COMMISSION.**

Subdivision 1. **Establishment.** The State Emblems Redesign Commission is established. The purpose of the commission is to develop and adopt a new design for the official state flag and the official state seal no later than January 1, 2024.

Subd. 2. **Membership; meetings.** (a) The commission consists of the following members:

(1) three members of the public, appointed by the governor;

(2) one member appointed by the Council for Minnesotans of African Heritage;

(3) one member appointed by the Minnesota Council on Latino Affairs;

(4) one member appointed by the Council on Asian-Pacific Minnesotans;

(5) one member representing the Dakota community and one member representing the Ojibwe community, appointed by the executive board of the Indian Affairs Council;

(6) the secretary of state or the secretary's designee;

(7) the executive director of the Minnesota Historical Society or the director's designee;

(8) the chair of the Capitol Area Architectural and Planning Board or the chair's designee;

(9) the chair of the Minnesota Arts Board or the chair's designee; and

(10) the executive director of Explore Minnesota Tourism or the director's designee.

(b) The following serve as ex officio, nonvoting members of the commission: (1) two members of the house of representatives, one each appointed by the speaker of the house and the minority leader of the house; and (2) two members of the senate, one representing the majority caucus appointed by the senate majority leader and one representing the minority caucus appointed by the senate minority leader.

(c) Appointments to the commission must be made no later than August 1, 2023. The voting members of the commission shall elect a chair and vice-chair. An appointee designated by the governor shall convene the commission's first meeting. Decisions of the commission must be made by majority vote. The Minnesota Historical Society must provide office space and administrative support to the commission.

Subd. 3. **Meetings.** Meetings of the commission are subject to Minnesota Statutes, chapter 13D.

Subd. 4. **Duties; form and style of recommended state emblems.** The commission shall develop and adopt a new design for the official state seal and a new design for the official state flag. The designs must accurately and respectfully reflect Minnesota's shared history, resources, and diverse cultural communities. Symbols, emblems, or likenesses that represent only a single community or person, regardless of whether real or stylized, may not be included in a design. The commission may solicit and secure the voluntary service and aid of vexillologists and other persons who have either technical or artistic skill in flag construction and design, or the design of official seals, to assist in the work. The commission must also solicit public feedback and suggestions to inform its work.

Subd. 5. **Report.** The commission shall certify its adopted designs in a report to the legislature and governor no later than January 1, 2024. The commission's report must describe the symbols and other meanings incorporated in the design.

Subd. 6. **Expiration.** The commission expires upon submission of its report.

Sec. 119. **WORKING GROUP ON YOUTH INTERVENTIONS.**

Subdivision 1. **Establishment.** The working group on youth interventions is established to develop recommendations on the design of a regional system of care for youth interventions, sustainable financing models, and alternatives to criminal penalties. The working group must evaluate coordinated approaches to youth with high behavioral health needs with the goal of reducing and eliminating touchpoints with the justice system as well as identifying community-based services to address youth needs and identifying gaps in services.

Subd. 2. **Membership.** (a) The working group consists of the following members:

(1) a county attorney appointed by the Minnesota County Attorneys Association;

(2) a public defender with responsibility for systems in one or more of the counties included in clause (4), appointed by the State Public Defender's Office;

(3) a peace officer, as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c), federally recognized Indian Tribes within the boundaries of Minnesota, from one of the counties included in clause (4), appointed by the Minnesota Sheriffs' Association;

(4) a county administrator or their designee from each of the following counties:

(i) Anoka County;

(ii) Carver County;

(iii) Dakota County;

(iv) Hennepin County;

(v) Olmsted County;

(vi) Ramsey County;

(vii) Scott County;

(viii) St. Louis County;

(ix) Stearns County; and

(x) Washington County;

(5) two representatives of county social services agencies appointed by the Minnesota Association of County Social Service Administrators;

(6) two representatives of community supervision appointed by the Minnesota Association of Community Corrections Act Counties;

(7) two representatives of community supervision appointed by the Minnesota Association of County Probation Officers;

(8) two representatives appointed by the commissioner of human services, one with experience in child welfare and one with experience in children's mental health;

(9) the commissioner of corrections, or a designee;

(10) two members representing culturally competent advocacy organizations, one of which must be the National Alliance on Mental Illness-Minnesota; and

(11) two members, to be designated by Hennepin County and Ramsey County, from the community with lived experience of a juvenile family member who was or is currently involved in the justice system, one of whom must be a resident of Hennepin County.

(b) Appointments to the working group must be made by September 1, 2023.

(c) Member compensation and reimbursement for expenses are governed by Minnesota Statutes, section 15.059, subdivision 3.

(d) None of the members can be a current legislator.

Subd. 3. **Chairs; meetings.** (a) The working group shall be cochaired by the representative member under subdivision 2, clause (4), from Hennepin County and the commissioner of corrections or a designee.

(b) The cochairs shall convene the first meeting of the working group no later than September 15, 2023.

(c) Task force meetings are subject to the Minnesota Open Meeting Law under Minnesota Statutes, chapter 13D.

Subd. 4. **Administrative support.** The Legislative Coordinating Commission must provide administrative support and meeting space for the working group. The commission may also choose to delegate this authority to Hennepin County.

Subd. 5. Duties. (a) The working group shall assess the current approach to addressing the therapeutic and rehabilitative needs of youth adjudicated to be either children in need of protection services or delinquent. The working group shall evaluate racial disparities as part of the working group duties under this subdivision.

(b) The working group shall also:

(1) provide the number of youth currently in these systems;

(2) provide the demographics of all youth including age, gender, sexual orientation, and race or ethnicity;

(3) provide the number of youth currently in out-of-home placement due to their behavioral health needs broken down by:

(i) therapeutic and rehabilitative needs of youth; and

(ii) proximity of a facility to their home or community;

(4) provide the number of youth currently in an out-of-state residential facility broken down by:

(i) therapeutic and rehabilitative needs;

(ii) type of facility or setting;

(iii) location of facility; and

(iv) county of residence;

(5) provide the number of youth awaiting or in need of placement due to no available resource broken down by:

(i) therapeutic and rehabilitative needs;

(ii) type of facility or setting needed; and

(iii) wait time and wait setting;

(6) provide the total bed capacity by treatment facility broken down by:

(i) residential treatment centers;

(ii) which facilities are state operated;

(iii) which facilities are county operated; and

(iv) which facilities are owned or operated by a community provider;

(7) for children who can access residential treatment, provide the:

(i) average length of stay;

(ii) average daily cost per type of placement, and delineate by payor source;

(iii) return or recidivism rate;

(iv) therapeutic and rehabilitative needs;

(v) discharge setting, including whether that is a home, step down program, or runaway; and

(vi) barriers, if any, to discharge;

(8) describe community-based programming, various treatment models, how programs operate, and the types of these services currently being provided in the state, including licensure model, and provide data specific to current total capacity and availability, level of care, outcomes, and costs;

(9) provide research models and best practices across North America, including continuum of care, program specifics, best metrics, continuous improvement, entities involved in funding and oversight, outcomes, and costs; and

(10) describe the role the state of Minnesota should play in ensuring best practice resources are available to all children across the state.

Subd. 6. **Report.** No later than February 15, 2024, the working group must submit a written report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over human services, public safety, and judiciary on the working group's activities and recommendations based on the evaluation and information collected under subdivision 5.

Subd. 7. **Expiration.** The working group shall expire upon submission of the report required under subdivision 6, or February 29, 2024, whichever is later.

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

Sec. 120. **LEGISLATIVE TASK FORCE ON AGING.**

Subdivision 1. **Establishment.** A legislative task force is established to:

(1) review and develop state resources for an aging demographic;

(2) identify and prioritize necessary support for an aging population through statewide and local endeavors for people to remain in their communities; and

(3) ensure all aging-related state policies are inclusive of race, gender, ethnicity, culture, sexual orientation, abilities, and other characteristics that reflect the full population of the state.

Subd. 2. **Duties.** The task force shall review:

(1) all current aging-related governmental functions, programs, and services across all state departments;

(2) the current plans to improve health and support services workforce demographics;

(3) current public and private strategies to:

- (i) support family caregivers for older adults;
- (ii) define and support quality of care and life improvements in long-term care and home care;
and
- (iii) sustain neighborhoods and communities for an aging population;
- (4) the necessity for planning and investment in aging in Minnesota to address:
 - (i) the longevity economy and the impact it has on the workforce, advancing technology, and innovations;
 - (ii) housing options, land use, transportation, social services, and the health systems;
 - (iii) availability of safe, affordable rental housing for aging tenants; and
 - (iv) coordination between health services and housing supports;
- (5) coordination across all state agencies, Tribal Nations, cities, and counties to encourage resolution of aging related concerns; and
- (6) from this review, determine the governmental entity to plan, lead, and implement these recommended policies and funding for aging Minnesotans across the state.

Subd. 3. **Membership.** (a) The task force shall include the following members:

- (1) two members from the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader;
- (2) two members from the senate, one appointed by the majority leader and one appointed by the minority leader;
- (3) the chair of the Minnesota Board on Aging, or a board member as designee;
- (4) the chair of the Minnesota Council on Disability, or an agency employee as designee;
- (5) the chair of the Minnesota Indian Affairs Council, or a council member, except the legislative council member, as designee; and
- (6) the director of the University of Minnesota Center for Healthy Aging and Innovation, or a University of Minnesota employee as a designee.

(b) The speaker of the house and the senate majority leader shall appoint a chair and a vice-chair for the membership of the task force. The chair and the vice-chair shall rotate after each meeting.

Subd. 4. **Meetings.** (a) The task force shall meet at least once per month. The meetings shall take place in person in the Capitol complex, provided that the chair may direct that a meeting be conducted electronically if doing so would facilitate public testimony or would protect the health or safety of members of the task force.

(b) The task force shall invite input from the public, the leadership of advocacy groups, and provider organizations.

(c) The chair designated by the speaker of the house shall convene the first meeting of the task force no later than August 1, 2023.

Subd. 5. **Expenses; per diem.** Members serving on the task force shall receive the following per diem:

(1) the Board on Aging task force member who is a volunteer citizen member shall receive the per diem listed in Minnesota Statutes, section 15.059, subdivision 3;

(2) the Council on Disability task force member shall not receive a per diem;

(3) the Indian Affairs Council task force member who is a citizen member shall receive the per diem listed in Minnesota Statutes, section 15.059, subdivision 3;

(4) the University of Minnesota task force member shall not receive a per diem; and

(5) legislative members of the task force shall not receive a per diem.

Subd. 6. **Report.** The task force shall submit a report with recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance and policy and state government by January 15, 2025.

Subd. 7. **Expiration.** The task force expires January 31, 2025.

EFFECTIVE DATE. This section is effective July 1, 2023, or when the legislative leaders required to make appointments to the task force name appointees beginning the day after final enactment.

Sec. 121. **INFRASTRUCTURE RESILIENCE ADVISORY TASK FORCE.**

Subdivision 1. **Definition.** For purposes of this section, "task force" means the Infrastructure Resilience Advisory Task Force established in this section.

Subd. 2. **Establishment.** The Infrastructure Resilience Advisory Task Force is established to evaluate issues related to coordination, sustainability, resiliency, and federal funding on state, local, and private infrastructure in the state.

Subd. 3. **Membership.** (a) The task force consists of the following members:

(1) two members of the senate, with one appointed by the senate majority leader and one appointed by the senate minority leader;

(2) two members of the house of representatives, with one appointed by the speaker of the house and one appointed by the house minority leader;

(3) the commissioner of administration;

(4) the commissioner of agriculture;

- (5) the commissioner of commerce;
 - (6) the commissioner of employment and economic development;
 - (7) the commissioner of health;
 - (8) the commissioner of management and budget;
 - (9) the commissioner of natural resources;
 - (10) the commissioner of the Pollution Control Agency;
 - (11) the commissioner of transportation;
 - (12) two members appointed by the governor;
 - (13) one representative from a federally recognized Tribal government, appointed by the governor;
 - (14) one member appointed by the Association of Minnesota Counties;
 - (15) one member appointed by the League of Minnesota Cities;
 - (16) one member appointed by the Minnesota Association of Townships;
 - (17) one member appointed by the Minnesota chapter of the American Public Works Association;
 - (18) one member appointed by the Associated General Contractors of Minnesota;
 - (19) one member appointed by each public utility that owns a nuclear-powered electric generating plant in this state; and
 - (20) one member appointed by the Minnesota Municipal Utilities Association.
- (b) At its first meeting, the task force must elect a chair or cochair by a majority vote of those members present and may elect a vice-chair as necessary.
- Subd. 4. **Appointments.** (a) The appointing authorities under subdivision 3 must make the appointments by July 31, 2023.
- (b) A commissioner under subdivision 3 may appoint a designee who is an employee of the respective agency.
- (c) An appointing authority under subdivision 3, paragraph (a), clauses (12) to (20), may only appoint an individual who has expertise and experience in asset management, financial management and procurement, or state and local infrastructure, whether from the public or private sector. Expertise and experience may include but is not limited to the following areas:
- (1) asset management planning, design, construction, management, and operations and maintenance;

(2) infrastructure for agriculture, communications, drinking water, energy, health, natural resources, public utilities, stormwater, transportation, or wastewater; and

(3) asset management planning across jurisdictions and infrastructure sectors.

Subd. 5. **Duties.** At a minimum, the task force must:

(1) develop objectives and strategies to:

(i) provide for effective and efficient management of state, local, and private infrastructure;

(ii) enhance sustainability and resiliency of infrastructure throughout the state;

(iii) respond to and mitigate the effects of adverse weather events across the state, including natural disasters, droughts, and floods; and

(iv) provide for equitable treatment in areas of persistent poverty and historically disadvantaged communities;

(2) identify approaches to enhance infrastructure coordination across jurisdictions, agencies, state and local government, and public and private sectors, including in planning, design, engineering, construction, maintenance, and operations;

(3) identify methods to maximize federal formula and discretionary funds provided to recipients in the state for infrastructure purposes;

(4) evaluate options for organizational design of state agencies to meet the purposes under clauses (1) to (3), including consideration of:

(i) options for establishment of a board, council, office, or other agency; and

(ii) models in other states; and

(5) develop findings and recommendations related to the duties specified in this subdivision.

Subd. 6. **Meetings.** (a) The commissioner of transportation must convene the first meeting of the task force no later than October 1, 2023.

(b) The task force must establish a schedule for meetings and meet as necessary to accomplish the duties under subdivision 5.

(c) The task force is subject to the Minnesota Open Meeting Law under Minnesota Statutes, chapter 13D.

Subd. 7. **Administration.** (a) The Legislative Coordinating Commission must provide administrative support to the task force and must assist in creation of the report under subdivision 8.

(b) Upon request of the task force, a commissioner under subdivision 3 must provide information and technical support.

(c) Members of the task force serve without compensation.

Subd. 8. **Report required.** By February 1, 2024, the task force must submit a report to the governor and the legislative committees with jurisdiction over climate, economic development, energy, infrastructure, natural resources, and transportation. At a minimum, the report must:

- (1) summarize the activities of the task force;
- (2) provide findings and recommendations adopted by the task force; and
- (3) include any draft legislation to implement the recommendations.

Subd. 9. **Expiration.** The task force expires June 30, 2024.

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

Sec. 122. **FORD BUILDING SITE REDEVELOPMENT; MIXED-USE DEVELOPMENT REQUIRED.**

Notwithstanding any law to the contrary, the commissioner of administration may not prepare or approve building construction plans for redevelopment of the Ford Building or the Ford Building property site unless the plans are for mixed-use development and identify ground-level space for locally owned businesses.

Sec. 123. **CAPITOL BARBER.**

The commissioner of administration must provide suitable space in the Capitol complex for operations of the Capitol Barber.

Sec. 124. **CAPITOL MALL DESIGN FRAMEWORK.**

(a) An update to the Capitol Mall Design Framework must include:

(1) plans to integrate green space campuswide, including but not limited to the addition of green space on the following sites at the approximate sizes indicated:

(i) the southwest corner of Rice Street and University Avenue, with a minimum size of 20,700 square feet;

(ii) the northeast corner of Rice Street and University Avenue, with a minimum size of 32,000 square feet; and

(iii) the north side of the State Capitol building adjacent to University Avenue;

(2) plans for visual markers and welcome information for the Capitol campus at one or more corners of Rice Street and University Avenue, anchoring a pathway to the State Capitol building and Capitol Mall that features interpretive markers honoring the importance and stature of the Capitol campus as both a historic site and as a modern, active public gathering space for all Minnesotans; and

(3) plans to plant trees throughout the Capitol campus, prioritizing the creation of a mature tree canopy to provide an area of shade for users of the Capitol Mall between or adjacent to the State Capitol building and Martin Luther King, Jr. Boulevard.

(b) The Capitol Area Architectural and Planning Board must contract with one or more professional design consultants with expertise on horticulture, landscape architecture, civic space design, infrastructure assessment, and operations and maintenance planning to develop the framework updates. The board must additionally consult with the commissioners of administration and public safety and the senate majority leader and the speaker of the house or their designees before any proposed framework update is approved. The board must approve the updated design framework no later than March 1, 2024.

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

Sec. 125. **AGENCY HEAD SALARY REBASING.**

The commissioner of management and budget must rebase the salary of each agency head equal to the across-the-board increases not applied to agency head compensation since rates were last determined, to be effective July 1, 2023.

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

Sec. 126. **COMPENSATION COUNCIL.**

The salary recommendations for constitutional officers submitted to the legislature by the Compensation Council on March 31, 2023, are adopted.

Sec. 127. **DEADLINE FOR CERTIFICATION OF APPROPRIATION AMOUNTS FOR LEGISLATURE FOR FISCAL YEARS 2026 AND 2027.**

Notwithstanding the effective date of Minnesota Statutes, section 3.1985, the house of representatives and senate must each certify to the commissioner of management and budget the anticipated amount to be appropriated under Minnesota Statutes, section 3.1985, for fiscal years 2026 and 2027 no later than January 15, 2025, and must certify the actual amount to be appropriated for fiscal years 2026 and 2027 no later than June 30, 2025.

Sec. 128. **INITIAL APPOINTMENTS; COUNCIL ON LGBTQIA2S+ MINNESOTANS.**

The governor and legislature must make initial appointments to the Council on LGBTQIA2S+ Minnesotans under Minnesota Statutes, section 15.0147, no later than August 1, 2023. The commissioner of administration must convene the first meeting of the council no later than September 15, 2023.

Sec. 129. **OFFICE OF SMALL AGENCIES; STUDY.**

Subdivision 1. **Study; requirements.** The commissioner of administration must review the unique issues faced by small agencies other than departments of the state as defined in section 15.01. These include boards, commissions, councils, task forces, and authorities. The study will assess whether the current support model provides adequate support for the agencies as well as their volunteer board members. The study will also examine how other states support their small agencies

and provide recommendations on how to most effectively support these small agencies in their delivery of important functions of government.

Subd. 2. **Report.** By February 1, 2024, the commissioner of administration must submit the findings and recommendations of the study to the governor and the chairs and ranking minority members of the legislative committees with primary jurisdiction over state government.

Sec. 130. **PREPARATORY WORK ON EXCLUSIVE REPRESENTATION AND COLLECTIVE BARGAINING FOR LEGISLATIVE EMPLOYEES.**

Subdivision 1. **Legislative employee collective bargaining report.** The executive director of the Legislative Coordinating Commission must request that the National Conference of State Legislatures prepare a report on the status of employee collective bargaining rights in state legislatures. The requested report must identify existing legislatures that engage in collective bargaining with their employees and, as applicable, the organizational structure and procedures adopted to accommodate employee bargaining within those legislative workplaces, including any structures or procedures that balance the rights of employees to bargain against the constitutional duty of a legislature to conduct necessary business, and any structures or procedures to accommodate the distinction between employees assigned to nonpartisan duties and employees assigned to duties within a political party caucus. The executive director must request that the report be prepared no later than August 1, 2024, and, to the extent practicable, reflect the status of collective bargaining rights as of that date.

Subd. 2. **Consultant.** The executive director of the Legislative Coordinating Commission shall contract with an external consultant to:

(1) examine issues related to collective bargaining for employees of the house of representatives, the senate, and legislative offices; and

(2) develop recommendations for best practices and options for the legislature to consider in implementing and administering collective bargaining for employees of the house of representatives, the senate, and legislative offices.

Subd. 3. **Information gathering.** The consultant must gather input on these issues from employees of the senate, house of representatives, and the joint offices of the legislature. The consultant must, at a minimum, conduct a survey of all employees on these matters and conduct interviews with representative samplings of employees in each type of position in each legislative body and joint legislative offices, heads of nonpartisan legislative offices, the executive director of the Legislative Coordinating Commission, the chief clerk of the house of representatives, the secretary of the senate, and the human resources directors of the house of representatives and the senate.

Subd. 4. **Report.** The contract with the consultant must require that the consultant submit a report on the consultant's findings and recommendations by November 1, 2024. At a minimum, the final report must address considerations on the following issues:

(1) which employees of the house of representatives, the senate, and legislative agencies for whom collective bargaining may or may not be appropriate;

(2) mandatory, permissive, and prohibited subjects of bargaining;

(3) who would negotiate on behalf of the house of representatives, the senate, and legislative agencies and which entity or entities would be considered the employer for purposes of bargaining;

(4) definitions for relevant terms;

(5) common public employee collective bargaining agreement frameworks related to grievance procedures and processes for disciplinary actions;

(6) procedures related to certifying exclusive bargaining representatives, determining bargaining units, adjudicating unfair labor practices, determining representation questions, and coalition bargaining;

(7) the efficiency and feasibility of coalition bargaining;

(8) procedures for approving negotiated collective bargaining agreements;

(9) procedures for submitting requests for funding to the appropriate legislative committees if appropriations are necessary to implement provisions of the collective bargaining agreements;

(10) the National Conference of State Legislatures report required under subdivision 1 and approaches taken by other state legislatures that have authorized collective bargaining for legislative employees; and

(11) draft legislation for any statutory changes needed to implement recommendations of the consultant related to the collective bargaining process for legislative employees.

Subd. 5. **Administrative meeting support.** The executive director of the Legislative Coordinating Commission must arrange working space and administrative support for the consultant, as needed.

Sec. 131. **MISSISSIPPI RIVER PARKWAY COMMISSION; CITIZEN MEMBERS.**

Citizens currently appointed to the Mississippi River Parkway Commission under Minnesota Statutes, section 161.1419, subdivision 2, for areas following the geographic segments along the Mississippi River, serve terms as follows:

(1) citizen member representing Lake Itasca, to but not including the city of Grand Rapids, for a term ending December 31, 2025;

(2) citizen member representing Grand Rapids, to but not including the city of Brainerd, for a term ending December 31, 2025;

(3) citizen member representing Brainerd, to but not including the city of Elk River, for a term ending December 31, 2025;

(4) citizen member representing Elk River, to but not including the city of Hastings, for a term ending December 31, 2027; and

(5) citizen member representing Hastings, to the Iowa border, for a term ending December 31, 2027.

Sec. 132. **REVISOR INSTRUCTION.**

In the next edition of Minnesota Statutes and Minnesota Rules and the online publication of Minnesota Statutes and Minnesota Rules, the revisor of statutes shall change references to "Christopher Columbus Day" or "Columbus Day" to "Indigenous Peoples Day" wherever the phrases appear in Minnesota Statutes and Minnesota Rules.

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

Sec. 133. **REPEALER.**

Subdivision 1. **State emblems redesign.** Minnesota Statutes 2022, sections 1.135, subdivisions 3 and 5; and 1.141, subdivisions 3, 4, and 6, are repealed, effective May 11, 2024.

Subd. 2. **Evergreen firehall polling place.** Minnesota Statutes 2022, section 383C.806, is repealed.

Subd. 3. **Compensation council.** Minnesota Statutes 2022, section 15A.0815, subdivisions 3, 4, and 5, are repealed effective the day following final enactment.

Subd. 4. **Parking garage debt service waiver.** Laws 2014, chapter 287, section 25, as amended by Laws 2015, chapter 77, article 2, section 78, is repealed.

Subd. 5. **Tobacco securitization bonds.** Minnesota Statutes 2022, section 16A.98, is repealed.

Subd. 6. **Strategic and long-range planning.** Minnesota Statutes 2022, sections 4A.01; 4A.04; 4A.06; 4A.07; 4A.11; and 124D.23, subdivision 9, are repealed.

Subd. 7. **Candidate advisory council.** Minnesota Statutes 2022, section 136F.03, is repealed.

Subd. 8. **Office of Collaboration and Dispute Resolution; grants.** Minnesota Statutes 2022, sections 179.90; and 179.91, are repealed.

Subd. 9. **Electric vehicle charging.** Minnesota Statutes 2022, section 16B.24, subdivision 13, is repealed.

Subd. 10. **Solar energy in state buildings.** Minnesota Statutes 2022, section 16B.323, is repealed.

Subd. 11. **Heating and cooling systems; state-funded buildings.** Minnesota Statutes 2022, section 16B.326, is repealed.

ARTICLE 3

LOCAL GOVERNMENT POLICY

Section 1. Minnesota Statutes 2022, section 13D.02, subdivision 1, is amended to read:

Subdivision 1. **Conditions.** (a) A meeting governed by section 13D.01, subdivisions 1, 2, 4, and 5, and this section may be conducted by interactive technology so long as:

(1) all members of the body participating in the meeting, wherever their physical location, can hear and see one another and can hear and see all discussion and testimony presented at any location at which at least one member is present;

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

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

(4) all votes are conducted by roll call so each member's vote on each issue can be identified and recorded; and

(5) each location at which a member of the body is present is open and accessible to the public.

(b) A meeting satisfies the requirements of paragraph (a), although a member of the public body participates from a location that is not open or accessible to the public, if the member has not participated more than three times in a calendar year from a location that is not open or accessible to the public, and:

(1) the member is serving in the military and is at a required drill, deployed, or on active duty;
or

(2) the member has been advised by a health care professional against being in a public place for personal or family medical reasons. ~~This clause only applies when a state of emergency has been declared under section 12.31, and expires 60 days after the removal of the state of emergency.~~

Sec. 2. Minnesota Statutes 2022, section 118A.09, subdivision 1, is amended to read:

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

(1) a county or statutory or home rule charter city with a population of more than 100,000; or

(2) a county or statutory or home rule charter city ~~which had its most recently issued general obligation bonds rated in the highest category by a national bond rating agency; or whose most recent long-term, senior, general obligation rating by one or more national rating organizations in the prior 18-month period is AA or higher.~~

~~(3) a self-insurance pool listed in section 471.982, subdivision 3.~~

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

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

Sec. 3. Minnesota Statutes 2022, section 118A.09, subdivision 2, is amended to read:

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

(1) in index mutual funds based in the United States and indexed to a broad market United States equity index, on the condition that index mutual fund investments must be made directly with the main sales office of the fund; or

(2) with the Minnesota State Board of Investment subject to such terms and minimum amounts as may be adopted by the board. ~~Index mutual fund investments must be made directly with the main sales office of the fund.~~

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

Sec. 4. Minnesota Statutes 2022, section 118A.09, subdivision 3, is amended to read:

Subd. 3. **Funds.** (a) Qualifying governments may only invest under subdivision 2 according to the limitations in this subdivision. A qualifying government under subdivision 1, clause (1) or (2), may only invest its funds that are held for long-term capital plans authorized by the city council or county board, or long-term obligations of the qualifying government. Long-term obligations of the qualifying government include long-term capital plan reserves, funds held to offset long-term environmental exposure, other postemployment benefit liabilities, compensated absences, and other long-term obligations established by applicable accounting standards.

(b) Qualifying governments under subdivision 1, clause (1) or (2), may invest up to 15 percent of the sum of:

- (1) unassigned cash;
- (2) cash equivalents;
- (3) deposits; and
- (4) investments.

~~This~~ (c) The calculation in paragraph (b) must be based on the qualifying government's most recent audited statement of net position, which must be compliant and audited pursuant to governmental accounting and auditing standards. Once the amount invested reaches 15 percent of the sum of unassigned cash, cash equivalents, deposits, and investments, no further funds may be invested under this section; however, a qualifying government may continue to manage the funds previously invested under this section even if the total amount subsequently exceeds 15 percent of the sum of unassigned cash, cash equivalents, deposits, and investments.

~~(e) A qualified government under subdivision 1, clause (3), may invest up to the lesser of:~~

- ~~(1) 15 percent of the sum of its cash, cash equivalents, deposits, and investments; or~~
- ~~(2) 25 percent of its net assets as reported on the pool's most recent audited statement of net position, which must be compliant and audited pursuant to governmental accounting and auditing standards.~~

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

Sec. 5. **[118A.10] SELF-INSURANCE POOLS; ADDITIONAL INVESTMENT AUTHORITY.**

Subdivision 1. **Definition.** For the purposes of this section, "qualifying government" means a self-insurance pool listed in section 471.982, subdivision 3.

Subd. 2. **Additional investment authority.** (a) A qualifying government may invest in the securities specified in section 11A.24, with the exception of specific investments authorized under section 11A.24, subdivision 6, paragraph (a), clauses (1) to (5).

(b) Investments authorized under this section are subject to the limitations under section 11A.24.

(c) A qualifying government may invest with the State Board of Investment subject to the terms and minimum amounts adopted by the State Board of Investment.

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

(1) the governing body understands that investments under this section have a risk of loss; and

(2) the governing body understands the type of funds that are being invested and the specific investment itself.

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

Sec. 6. **[134.114] RAMSEY COUNTY LIBRARY ADVISORY BOARD.**

Subdivision 1. **Appointment.** The Ramsey County Board of Commissioners shall direct, operate, and manage the suburban Ramsey County library system. The county board shall appoint seven members to a suburban Ramsey County Library Advisory Board. All members must reside in the suburban county library service area. The Ramsey County Library Advisory Board shall replace the existing Ramsey County Library Board upon the effective date of this section.

Subd. 2. **Powers and duties.** The Ramsey County Library Advisory Board shall provide advice and make recommendations on matters pertaining to county library services. The Ramsey County Library Advisory Board shall provide recommendations regarding integrated county service delivery that impacts or is enhanced by library services. The county board may delegate additional powers and duties to the Ramsey County Library Advisory Board.

EFFECTIVE DATE. This section is effective the day after the governing body of Ramsey County and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 7. **[134.115] ANOKA COUNTY LIBRARY ADVISORY BOARD.**

Subdivision 1. **Appointment.** The Anoka County Board of Commissioners shall direct, operate, and manage the suburban Anoka County library system. The county board shall appoint seven

members to a suburban Anoka County Library Advisory Board. All members must reside in the suburban county library service area. The Anoka County Library Advisory Board shall replace the existing Anoka County Library Board upon the effective date of this section.

Subd. 2. **Powers and duties.** The Anoka County Library Advisory Board shall provide advice and make recommendations on matters pertaining to county library services. The Anoka County Library Advisory Board shall provide recommendations regarding integrated county service delivery that impacts or is enhanced by library services. The county board may delegate additional powers and duties to the Anoka County Library Advisory Board.

EFFECTIVE DATE. This section is effective the day after the governing body of Anoka County and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 8. Minnesota Statutes 2022, section 383B.145, is amended by adding a subdivision to read:

Subd. 11. **Solicitations to small business enterprises or veteran-owned small businesses.** Notwithstanding the contract threshold of section 471.345, subdivision 4, a contract, as defined in section 471.345, subdivision 2, estimated not to exceed \$500,000 may be made pursuant to the provisions of section 471.345, subdivision 4, provided that a business that is directly solicited is certified as either: (1) a small business enterprise; or (2) a small business that is majority-owned and operated by a veteran or a service-disabled veteran.

Sec. 9. **[412.925] NATIVE LANDSCAPES.**

(a) A statutory city or home rule charter city shall allow an owner, authorized agent, or authorized occupant of any privately owned lands or premises to install and maintain a managed natural landscape. For purposes of this section, the following terms have the meanings given:

(1) "managed natural landscape" means a planned, intentional, and maintained planting of native or nonnative grasses, wildflowers, forbs, ferns, shrubs, or trees, including but not limited to rain gardens, meadow vegetation, and ornamental plants. Managed natural landscapes does not include turf-grass lawns left unattended for the purpose of returning to a natural state;

(2) "meadow vegetation" means grasses and flowering broad-leaf plants that are native to, or adapted to, the state of Minnesota, and that are commonly found in meadow and prairie plant communities, not including noxious weeds. "Noxious weed" has the meaning given in section 18.77, subdivision 8;

(3) "ornamental plants" means grasses, perennials, annuals, and groundcovers purposely planted for aesthetic reasons;

(4) "rain garden" means a native plant garden that is designed not only to aesthetically improve properties, but also to reduce the amount of stormwater and accompanying pollutants from entering streams, lakes, and rivers; and

(5) "turf-grass lawn" means a lawn composed mostly of grasses commonly used in regularly cut lawns or play areas, including but not limited to bluegrass, fescue, and ryegrass blends, intended to be maintained at a height of no more than eight inches.

(b) Managed natural landscapes may include plants and grasses that are in excess of eight inches in height and have gone to seed, but may not include any noxious weeds and must be maintained.

(c) Except as part of a managed natural landscape as defined in this section, any weeds or grasses growing upon any lot or parcel of land in a city to a greater height than eight inches or that have gone or are about to go to seed are prohibited.

Sec. 10. Minnesota Statutes 2022, section 428A.01, is amended by adding a subdivision to read:

Subd. 7. **Multiunit residential property.** "Multiunit residential property" means:

(1) property classified as class 4a under section 273.13, subdivision 25, paragraph (a);

(2) condominiums, as defined under section 515A.1-103, clause (7), that are classified as class 1a under section 273.13, subdivision 22, paragraph (a); class 4b under section 273.13, subdivision 25, paragraph (b), clause (1); class 4bb under section 273.13, subdivision 25, paragraph (c), clause (1); or condominiums under chapters 515 and 515A established prior to the enactment of the Minnesota Common Interest Ownership act under chapter 515B;

(3) condominium-type storage units classified as class 4bb under section 273.13, subdivision 25, paragraph (c), clause (3); and

(4) duplex or triplex property classified as class 1a under section 273.13, subdivision 22, paragraph (a); or classified as class 4b under section 273.13, subdivision 25, paragraph (b), clause (1).

Multiunit residential property does not include any unit that is an affordable housing unit classified as 4d low-income rental housing under section 273.13, subdivision 25, paragraph (e).

EFFECTIVE DATE. This section is effective for the establishment or enlargement of a special service district after July 1, 2023.

Sec. 11. Minnesota Statutes 2022, section 428A.01, is amended by adding a subdivision to read:

Subd. 8. **Nonresidential property.** "Nonresidential property" means property that is classified under section 273.13 and used for commercial, industrial, or public utility purposes, or is zoned for vacant land or designated on a land use plan for commercial or industrial use.

EFFECTIVE DATE. This section is effective for the establishment or enlargement of a special service district after July 1, 2023.

Sec. 12. Minnesota Statutes 2022, section 428A.02, subdivision 1, is amended to read:

Subdivision 1. **Ordinance.** The governing body of a city may adopt an ordinance establishing a special service district. ~~Only nonresidential and multiunit residential property that is classified under section 273.13 and used for commercial, industrial, or public utility purposes, or is vacant land zoned or designated on a land use plan for commercial or industrial use and~~ located in the special service district; may be subject to the charges imposed by the city on the special service district. Other types of property may be included within the boundaries of the special service district but are not subject to the levies or charges imposed by the city on the special service district. If 50

percent or more of the estimated market value of a parcel of property is classified under section 273.13 as commercial, industrial, or vacant land zoned or designated on a land use plan for commercial or industrial use, or public utility for the current assessment year, then the entire taxable market value of the property is subject to a service charge based on net tax capacity for purposes of sections 428A.01 to 428A.10. The ordinance shall describe with particularity the area within the city to be included in the district and the special services to be furnished in the district. The ordinance may not be adopted until after a public hearing has been held on the question. Notice of the hearing shall include the time and place of hearing, a map showing the boundaries of the proposed district, and a statement that all persons owning property in the proposed district that would be subject to a service charge will be given opportunity to be heard at the hearing. Within 30 days after adoption of the ordinance under this subdivision, the governing body shall send a copy of the ordinance to the commissioner of revenue.

EFFECTIVE DATE. This section is effective for the establishment or enlargement of a special service district after July 1, 2023.

Sec. 13. Minnesota Statutes 2022, section 428A.03, is amended by adding a subdivision to read:

Subd. 4. **Common interest community charges.** Service charges may not be imposed on a unit in a common interest community for a service that is ordinarily provided by the unit's owner's association unless an increased level of service is provided by the special service district. A unit in a common interest community is defined under section 515B.1-103, clause (10), and also includes common interest communities under chapters 515 and 515A that were established prior to the enactment of the Minnesota Common Interest Ownership Act under chapter 515B.

EFFECTIVE DATE. This section is effective for the establishment or enlargement of a special service district after July 1, 2023.

Sec. 14. Minnesota Statutes 2022, section 471.345, is amended by adding a subdivision to read:

Subd. 3b. **Contracts over \$175,000; construction manager at risk alternative.** As an alternative to the procurement methods described in subdivisions 3 and 3a, municipalities may award a contract for construction, alteration, repair, or maintenance work to a construction manager at risk as provided in section 471.463.

Sec. 15. **[471.463] CONSTRUCTION MANAGER AT RISK.**

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

(b) "Construction manager at risk" means a person who is selected by a municipality to act as a construction manager to manage the construction process, including but not limited to responsibility for the price, schedule, and workmanship of the construction performed according to the procedures in this section.

(c) "Construction manager at risk contract" means a contract for construction of a project between a construction manager at risk and a municipality, which shall include a guaranteed maximum price, construction schedule, and workmanship of the construction performed.

(d) "Guaranteed maximum price" means the maximum amount that a construction manager at risk is paid pursuant to a contract to perform a defined scope of work.

(e) "Guaranteed maximum price contract" means a contract under which a construction manager or subcontractor is paid on the basis of the actual cost to perform the work specified in the contract plus an amount for overhead and profit, the sum of which must not exceed the guaranteed maximum price in the contract.

(f) "Municipality" has the meaning given under section 471.345, subdivision 1.

(g) "Past performance" or "experience" does not include the exercise or assertion of a person's legal rights.

(h) "Person" means an individual, corporation, partnership, association, or other legal entity.

(i) "Project" means an undertaking to construct, alter, or enlarge a building, structure, or other improvement, except a street, road, highway, or bridge, by or for a municipality.

(j) "Request for proposals" means the document or publication soliciting proposals for a construction manager at risk contract as provided in this section.

(k) "Request for qualifications" means the document or publication soliciting qualifications for a construction manager at risk contract as provided in this section.

(l) "Trade contract work" means labor, materials, or equipment furnished by contractors or vendors that are incorporated into the completed project or are major components of the means of construction. Work performed by trade contractors involves specific portions of the project, but not the entire project.

Subd. 2. **Authority.** Notwithstanding any other law to the contrary, a municipality may use a construction manager at risk method of project delivery and award a construction manager at risk contract based on the selection criteria described in this section.

Subd. 3. **Solicitation of qualifications.** (a) A request for qualifications must be prepared for each construction manager at risk contract as provided in this section. The request for qualifications must contain, at a minimum, the following elements:

(1) procedures for submitting qualifications, the criteria and subcriteria for evaluating the qualifications and the relative weight for each criteria and subcriteria, and the procedures for making awards in an open, competitive, and objective manner, applying a scoring or trade-off evaluation method, including a reference to the requirements of this section;

(2) the proposed terms and conditions for the contract;

(3) the desired qualifications of the construction manager at risk;

(4) the schedule for commencement and completion of the project;

(5) any applicable budget limits for the project;

(6) the requirements for insurance and statutorily required performance and payment bonds; and

(7) the identification and location of any other information in the possession or control of a municipality that the municipality determines is material, including surveys, soil reports, drawings or models of existing structures, environmental studies, photographs, or references to public records.

(b) The request for qualifications criteria must not impose unnecessary conditions beyond reasonable requirements to ensure maximum participation of construction managers at risk. The criteria must not consider the collective bargaining status of the construction manager at risk.

(c) The request for qualifications criteria may include a requirement that the proposer include the cost for the proposer's services.

(d) Notice of requests for qualifications must be advertised in a manner designated by the municipality.

Subd. 4. **Construction manager at risk selection process.** (a) In a construction manager at risk selection process, the following apply:

(1) upon determining to utilize a construction manager at risk for a project, a municipality shall create a selection committee composed of a minimum of three persons, at least one of whom has construction industry expertise; and

(2) a municipality shall establish procedures for determining the appropriate content of a request for qualifications, as provided in subdivision 3.

(b) In accordance with the criteria and procedures set forth in the request for qualifications, the selection committee shall evaluate the experience of a proposer as a construction manager at risk, including but not limited to capacity of key personnel, technical competence, capability to perform, past performance of the firm and its employees, safety record and compliance with state and federal law, availability to and familiarity with the project locale, and other appropriate facts submitted by the proposer in response to the request for qualifications.

(c) A municipality must receive at least two proposals from construction managers or the municipality may:

(1) solicit new proposals;

(2) revise the request for qualifications and then solicit new proposals using the revised request for qualifications;

(3) select another allowed procurement method; or

(4) reject all proposals.

(d) The selection committee shall review the qualification of each proposer and create a short list of two to five proposers.

(e) A municipality shall issue a request for proposals requiring cost and other information as desired from the short-listed proposers.

(f) The selection committee may conduct formal interviews with the short-listed proposers but shall not disclose any proprietary or confidential information contained in one proposal to another proposer, and shall rank the proposers by applying a scoring or trade-off evaluation method. The scoring or trade-off evaluation method must be described in the request for proposals.

Subd. 5. Construction manager at risk contract. (a) A municipality shall conduct contract negotiations with the highest ranked proposer to reach an agreement on the cost and terms of the contract. If an agreement cannot be reached with the highest ranked proposer, the municipality may begin negotiations with the next highest ranked proposer. The negotiation process continues until an agreement is reached with a proposer or the municipality rejects all proposals.

(b) The construction manager at risk shall competitively bid all trade contract work for the project from a list of qualified firms. The list of qualified firms may be limited to qualified Small Business Enterprise firms, Disadvantaged Business Enterprise firms, or both, subject to availability of such qualified firms for the specific work. The list of qualified firms must be based on an open, competitive, and objective prequalification process in which the selection criteria, approved by the municipality, may include but is not limited to the firm's experience as a constructor, including capacity of key personnel, technical competence, capability to perform, past performance of the firm and its employees, safety record and compliance with state and federal law, availability to and familiarity with the project locale, Small Business Enterprise or Disadvantaged Business Enterprise certification, and other considerations as defined by the construction manager at risk and the municipality. The construction manager at risk and the municipality shall jointly determine the composition of the list of qualified firms. With the municipality's approval, upon request, the construction manager at risk may also submit bids for trade contract work if the construction manager at risk does not participate in the municipality's review of the bids or selection decision.

(c) The construction manager at risk and the municipality shall enter into a guaranteed maximum price contract for the project.

Sec. 16. [471.585] MUNICIPAL HOTEL LICENSING.

(a) A statutory or home rule charter city or a town may adopt an ordinance requiring hotels as defined in section 327.70, subdivision 3, operating within the boundaries of the city or town to have a valid license issued by the city or town. An annual fee for a license under this section may not exceed \$150.

(b) An ordinance adopted under this section is limited to requiring compliance with state and local laws as a condition of licensure. No other licensing conditions or requirements are permitted.

(c) A city or town that has adopted an ordinance under this section may refuse to issue a license, or may revoke an existing license, if the hotel fails to comply with the conditions of the license.

Sec. 17. Minnesota Statutes 2022, section 473.606, subdivision 5, is amended to read:

Subd. 5. Employees, others, affirmative action; prevailing wage. The corporation shall have the power to appoint engineers and other consultants, attorneys, and such other officers, agents, and

employees as it may see fit, who shall perform such duties and receive such compensation as the corporation may determine ~~notwithstanding the provisions of section 43A.17, subdivision 9,~~ and be removable at the pleasure of the corporation. The corporation must adopt an affirmative action plan, which shall be submitted to the appropriate agency or office of the state for review and approval. The plan must include a yearly progress report to the agency or office. Whenever the corporation performs any work within the limits of a city of the first class, or establishes a minimum wage for skilled or unskilled labor in the specifications or any contract for work within one of the cities, the rate of pay to such skilled and unskilled labor must be the prevailing rate of wage for such labor in that city.

Sec. 18. Minnesota Statutes 2022, section 473.704, subdivision 3, is amended to read:

Subd. 3. ~~Director; to be entomologist.~~ It may employ and fix the duties and compensation of a director who shall develop the control programs of the district and shall supervise its execution; ~~such director shall be an entomologist.~~

Sec. 19. **HENNEPIN COUNTY; CONSTRUCTION MANAGER AT RISK SELECTION.**

Notwithstanding Minnesota Statutes, section 471.463, or any other law to the contrary, Hennepin County may proceed to select a construction manager at risk if:

(1) the county receives only one proposal from a construction manager for a project; and

(2) the county determines the construction manager at risk marketplace is limited and the benefit of issuing a new solicitation is not practicable.

EFFECTIVE DATE. This section is effective the day after the governing body of Hennepin County and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 20. **ST. PAUL; DESIGN-BUILD AUTHORIZATION.**

Notwithstanding Minnesota Statutes, section 471.345, or any other law to the contrary, the city of St. Paul may solicit and award a design-build contract for the East Side Skate Park project at Eastside Heritage Park on the basis of a best value selection process. The city must consider at least three proposals when awarding a design-build contract under this section.

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

Sec. 21. **ST. CLOUD REGIONAL AIRPORT; ON-SALE LICENSE.**

Notwithstanding any law or ordinance to the contrary, the city of St. Cloud may issue an on-sale intoxicating liquor license to a restaurant in the St. Cloud Regional Airport. The license authorized by this section may be issued for a space that is not compact and contiguous.

EFFECTIVE DATE. This section is effective upon approval by the St. Cloud City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 22. **REPEALER.**

(a) Minnesota Statutes 2022, section 383B.143, subdivisions 2 and 3, are repealed.

(b) Minnesota Statutes 2022, section 43A.17, subdivision 9, is repealed.

Sec. 23. **EFFECTIVE DATE.**

Sections 17 and 22, paragraph (b), are effective the day following final enactment.

ARTICLE 4

ELECTIONS ADMINISTRATION

Section 1. **[2.012] TWELFTH DISTRICT.**

Subdivision 1. **Senate district.** Notwithstanding the order of the Minnesota Special Redistricting Panel in *Watson v. Simon*, Nos. A21-0243, A21-0546 (February 15, 2022), Senate District 12 consists of the district as described in that order, with the modification contained in file L12B-1, on file with the Geographic Information Systems Office of the Legislative Coordinating Commission and published on its website on April 27, 2022.

Subd. 2. **House of representatives districts.** Notwithstanding the order of the Minnesota Special Redistricting Panel in *Watson v. Simon*, Nos. A21-0243, A21-0546 (February 15, 2022), Senate District 12 is divided into two house of representatives districts as follows:

(a) House of Representatives District 12A consists of the district as described in that order.

(b) House of Representatives District 12B consists of all territory of Senate District 12, as modified by subdivision 1, that is not included in House of Representatives District 12A.

EFFECTIVE DATE. This section is effective for the state primary and state general elections conducted in 2024 for terms of office beginning on the first Monday in January of 2025, and for all elections held thereafter.

Sec. 2. **[2.109] NINTH DISTRICT.**

Subdivision 1. **Senate district.** Notwithstanding the order of the Minnesota Special Redistricting Panel in *Watson v. Simon*, Nos. A21-0243, A21-0546 (February 15, 2022), Senate District 9 consists of the district as described in that order, with the modification contained in file L12B-1, on file with the Geographic Information Systems Office of the Legislative Coordinating Commission and published on its website on April 27, 2022.

Subd. 2. **House of representatives districts.** Notwithstanding the order of the Minnesota Special Redistricting Panel in *Watson v. Simon*, Nos. A21-0243, A21-0546 (February 15, 2022), Senate District 9 is divided into two house of representatives districts as follows:

(a) House of Representatives District 9A consists of the district as described in that order.

(b) House of Representatives District 9B consists of all territory of Senate District 9, as modified by subdivision 1, that is not included in House of Representatives District 9A.

EFFECTIVE DATE. This section is effective for the state primary and state general elections conducted in 2024 for terms of office beginning on the first Monday in January of 2025, and for all elections held thereafter.

Sec. 3. **[2.117] SEVENTEENTH DISTRICT.**

Subdivision 1. **Senate district.** Senate District 17 consists of the district as described in the order of the Minnesota Special Redistricting Panel in *Watson v. Simon*, Nos. A21-0243, A21-0546 (February 15, 2022).

Subd. 2. **House of representatives districts.** Notwithstanding the order of the Minnesota Special Redistricting Panel in *Watson v. Simon*, Nos. A21-0243, A21-0546 (February 15, 2022), Senate District 17 is divided into two house of representatives districts as follows:

(a) House of Representatives District 17A consists of the district as described in that order, with the modification contained in file L17A-2, on file with the Geographic Information Systems Office of the Legislative Coordinating Commission and published on its website on May 10, 2023.

(b) House of Representatives District 17B consists of all territory of Senate District 17 not included in House of Representatives District 17A, as described in paragraph (a).

EFFECTIVE DATE. This section is effective for the state primary and state general elections conducted in 2024 for terms of office beginning on the first Monday in January of 2025, and for all elections held thereafter.

Sec. 4. **[2.144] FORTY-FOURTH DISTRICT.**

Subdivision 1. **Senate district.** Senate District 44 consists of the district as described in the order of the Minnesota Special Redistricting Panel in *Watson v. Simon*, Nos. A21-0243, A21-0546 (February 15, 2022).

Subd. 2. **House of representatives districts.** Notwithstanding the order of the Minnesota Special Redistricting Panel in *Watson v. Simon*, Nos. A21-0243, A21-0546 (February 15, 2022), Senate District 44 is divided into two house of representatives districts as follows:

(a) House of Representatives District 44A consists of the district as described in that order, with the modification contained in file L44A-1, on file with the Geographic Information Systems Office of the Legislative Coordinating Commission and published on its website on April 27, 2022.

(b) House of Representatives District 44B consists of all territory of Senate District 44 not included in House of Representatives District 44A, as described in paragraph (a).

EFFECTIVE DATE. This section is effective for the state primary and state general elections conducted in 2024 for terms of office beginning on the first Monday in January of 2025, and for all elections held thereafter.

Sec. 5. **[2.92] ACCESS TO MULTIUNIT FACILITIES BY UNITED STATES CENSUS EMPLOYEES.**

Subdivision 1. **Access required.** It is unlawful for a person, either directly or indirectly, to deny access to an apartment house, dormitory, nursing home, manufactured home park, other multiple unit facility used as a residence, or area in which two or more single-family dwellings are located on private roadways, to an employee of the United States Census Bureau who displays a current, valid census credential and who is engaged in official census business. An employee granted access under this section must be permitted to knock on the doors of individual units to speak with residents and to leave census materials for residents at their doors, except that the manager of a nursing home may direct that the materials be left at a central location within the facility. The materials must be left in an orderly manner.

Subd. 2. **Limitations.** This section does not prohibit:

(1) denial of admittance into a particular apartment, room, manufactured home, or personal residential unit;

(2) in the case of a nursing home or an assisted living facility licensed under chapter 144G, denial of permission to visit certain persons for valid health reasons;

(3) limiting visits to a reasonable number of census employees or reasonable hours;

(4) requiring a prior appointment to gain access to the facility; or

(5) denial of admittance to or expulsion of an individual employee from a multiple unit dwelling for good cause.

Subd. 3. **Compliance with federal law.** A person in compliance with United States Code, title 13, section 223, and any guidance or rules adopted by the United States Department of Commerce, Bureau of the Census, governing access to a facility described in subdivision 1 is considered to be in compliance with the requirements of this section.

Subd. 4. **Applicability.** This section applies from January 1 to July 1 in any year during which a decennial census is conducted under the authority of the United States Constitution, article 1, section 2.

Sec. 6. **[5.305] VOTING OPERATIONS, TECHNOLOGY, AND ELECTION RESOURCES ACCOUNT.**

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

(1) "account" means the voting operations, technology, and election resources account;

(2) "city" means a statutory or home rule charter city; and

(3) "local unit of government" means a county, city, or town.

Subd. 2. **Account established; appropriation.** The voting operations, technology, and election resources account is established in the special revenue fund. Money in the account is appropriated annually to the secretary of state for distribution as provided in this section.

Subd. 3. **Distribution amount; payment.** (a) The secretary of state must distribute the balance in the account annually as follows:

(1) 20 percent of the total balance is for allocation to each county in equal amounts; and

(2) 80 percent of the total balance is for allocation to each county in proportion to its share of registered voters on May 1 for the most recent statewide general election, as determined by the secretary of state.

(b) The secretary of state must distribute funds under this section no later than July 20 of each year.

Subd. 4. **Allocation of funds among local units of government.** (a) Upon receipt of funds, each county must segregate the funds in a county election funding account. The money in the account remains in the account until spent for any of the authorized purposes set forth in this section. The county and the local units of government located within the county must agree on a distribution plan for allocating funds from the account. If the county and a local unit of government do not agree on a distribution plan, the county must allocate the funds to that unit of local government as follows:

(1) 50 percent is retained by the county;

(2) 25 percent is allocated to each local unit of government responsible for administering absentee voting or mail voting in proportion to that unit of government's share of the county's registered voters on May 1 for the most recent statewide general election; and

(3) 25 percent is allocated to cities and townships in proportion to each city and township's share of registered voters in the county on May 1 for the most recent statewide general election.

The county must make distributions to cities and towns by December 31 each year.

(b) A city or township that is allocated funds under this subdivision must segregate the funds in an election funding account. The money in the account remains in the account until spent for any of the authorized purposes set forth in this section.

Subd. 5. **Use of funds.** A local unit of government may use the funds allocated pursuant to this section for the following purposes, provided the expenditures are directly related to election administration:

(1) equipment;

(2) hardware or software;

(3) cybersecurity;

(4) security-related infrastructure;

(5) capital improvements to government-owned property to improve access to polling places for individuals with disabilities;

(6) staff costs for election administrators, election judges, and other election officials;

- (7) printing and publication;
- (8) postage;
- (9) programming;
- (10) local match for state or federal funds; and
- (11) any other purpose directly related to election administration.

Subd. 6. **Reports.** (a) Annually by December 31, each county auditor must report to the secretary of state with an explanation of how the funds received pursuant to this section during the previous fiscal year were spent and a certification that they were spent in accordance with subdivisions 4 and 5. The county auditor's report must include the following: an itemized description of each actual expenditure listed by the general categories of expenditures identified in subdivision 5, the local unit of government making the expenditure, the balance in the county's election funding account, and the balance of any city's or town's election funding account. The county auditor's report must also include any other information required by the secretary of state.

(b) Each city and town receiving an allocation of funds under this section must provide the county auditor with the data necessary to submit this report no later than December 15 of each year.

(c) No later than January 31 of each year, the secretary of state must compile the reports received from each county auditor and submit a summary report on the expenditure of funds to the chairs and ranking minority members of the legislative committees with jurisdiction over elections policy and finance. At a minimum, the summary report must identify expenditures by county, city, and town and the purposes of each expenditure.

Sec. 7. Minnesota Statutes 2022, section 5B.06, is amended to read:

5B.06 VOTING BY PROGRAM PARTICIPANT; ABSENTEE BALLOT.

A program participant who is otherwise eligible to vote may register with the secretary of state as a permanent absentee voter. Notwithstanding section 203B.04, subdivision 5, the secretary of state is not required to send an absentee ballot application prior to each election to a program participant registered as a permanent absentee voter under this section. As soon as practicable before each election, the secretary of state shall determine the precinct in which the residential address of ~~the~~ a program participant is located ~~and~~. Upon making a precinct determination, the secretary of state shall either (1) request from and receive from the county auditor or other election official the ballot for that precinct and shall forward mail the absentee ballot to the program participant with the other, or (2) using the Minnesota statewide voter registration system, prepare the program participant's ballot for that precinct and mail the absentee ballot to the program participant. The secretary of state shall include with each mailed absentee ballot all corresponding materials for absentee balloting as required by Minnesota law. The program participant shall complete the ballot and return it to the secretary of state, who shall review the ballot in the manner provided by section 203B.121, subdivision 2. If the ballot and ballot materials comply with the requirements of that section, the ballot must be certified by the secretary of state as the ballot of a program participant, and must be forwarded to the appropriate electoral jurisdiction for tabulation along with all other

ballots. The name and address of a program participant must not be listed in the statewide voter registration system.

Sec. 8. Minnesota Statutes 2022, section 135A.17, subdivision 2, is amended to read:

Subd. 2. **Residential housing list.** All postsecondary institutions that enroll students accepting ~~state or~~ federal financial aid may prepare a current list of students enrolled in the institution and residing in the institution's housing or within ten miles of the institution's campus. All postsecondary institutions that enroll students accepting state financial aid must, to the extent the information may be disclosed pursuant to Code of Federal Regulations, title 34, part 99, prepare a current list of students enrolled in the institution and residing in the institution's housing or in the city or cities in which the campus is situated, if available. The list shall include each student's current address, unless the student is enrolled in the Safe at Home address confidentiality program as provided in chapter 5B. The list shall be certified and sent to the appropriate county auditor or auditors for use in election day registration as provided under section 201.061, subdivision 3. A residential housing list provided under this subdivision may not be used or disseminated by a county auditor or the secretary of state for any other purpose.

Sec. 9. Minnesota Statutes 2022, section 200.02, subdivision 7, is amended to read:

Subd. 7. **Major political party.** (a) "Major political party" means a political party that maintains a party organization in the state, ~~political division or precinct in question and that has presented;~~ has complied with the party's constitution and rules; is in compliance with the requirements of sections 202A.12 and 202A.13; files with the secretary of state no later than December 1 of each odd-numbered year a certification that the party has met the foregoing requirements, including a list of the dates and locations of each convention held; and meets all other qualification requirements of this subdivision.

(b) A political party qualifies as a major political party by:

(1) presenting at least one candidate for election to the office of:

~~(1)~~ (i) governor and lieutenant governor, secretary of state, state auditor, or attorney general at the last preceding state general election for those offices; or

~~(2)~~ (ii) presidential elector or U.S. senator at the last preceding state general election for presidential electors; and

whose candidate received votes in each county in that election and received votes from not less than five percent of the total number of individuals who voted in that election; if the state general election was held on or before November 8, 2022, or not less than eight percent of the total number of individuals who voted in that election, at a state general election held on or after November 7, 2024;

~~(b) "Major political party" also means a political party that maintains a party organization in the state, political subdivision, or precinct in question and that has presented~~ (2) presenting at least 45 candidates for election to the office of state representative, 23 candidates for election to the office of state senator, four candidates for election to the office of representative in Congress, and one candidate for election to each of the following offices: governor and lieutenant governor, attorney

general, secretary of state, and state auditor, at the last preceding state general election for those offices; or

~~(e)~~ "Major political party" also means a political party that maintains a party organization in the state, political subdivision, or precinct in question and whose members present (3) presenting to the secretary of state at any time before the close of filing for the state partisan primary ballot a petition for a place on the state partisan primary ballot, which petition contains valid signatures of a number of the party members equal to at least five percent of the total number of individuals who voted in the preceding state general election. A signature is valid only if signed no more than one year prior to the date the petition was filed.

~~(d)~~ (c) A political party whose candidate receives a sufficient number of votes at a state general election described in paragraph ~~(a)~~ (b), clause (1), or a political party that presents candidates at an election as required by paragraph (b), clause (2), becomes a major political party as of January 1 following that election ~~and~~. A political party that complies with paragraph (a) retains its major party status for at least two state general elections even if the party fails to present a candidate who receives the number and percentage of votes required under paragraph ~~(a)~~ (b), clause (1), or fails to present candidates as required by paragraph (b), clause (2), at subsequent state general elections.

~~(e)~~ (d) A major political party whose candidates fail to receive the number and percentage of votes required under paragraph ~~(a)~~ (b), clause (1), and that fails to present candidates as required by paragraph (b), clause (2), at each of two consecutive state general elections described by paragraph ~~(a)~~ (b), clause (1) or (2), respectively, loses major party status as of December 31 following the later of the two consecutive state general elections.

(e) A major political party that does not submit the certification required by this subdivision loses major party status on December 31 of the year in which the party did not file the certification.

(f) The secretary of state must notify the chair of the major political party, the commissioner of revenue, and the Campaign Finance and Public Disclosure Board if the political party's status is changed pursuant to this section.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to major party status for elections held in 2024 and thereafter. The December 1, 2023, certification of a political party that is recognized as a major political party as of the effective date of this section must include certification that the party was in compliance with paragraph (a) during the most recent state general election year.

Sec. 10. Minnesota Statutes 2022, section 201.014, subdivision 2a, as added by Laws 2023, chapter 12, section 1, is amended to read:

Subd. 2a. **Felony conviction; restoration of civil right to vote.** An individual who is ineligible to vote because of a felony conviction has the civil right to vote restored during any period when the individual is not incarcerated for the offense. If the individual is later incarcerated for the offense, the individual's civil right to vote is lost only during that period of incarceration. For purposes of this subdivision only, an individual on work release under section 241.26 or 244.065 or an individual released under section 631.425 is not deemed to be incarcerated.

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

Sec. 11. Minnesota Statutes 2022, section 201.022, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The secretary of state shall maintain a statewide voter registration system to facilitate voter registration and to provide a central database containing voter registration information from around the state. The system must be accessible to the county auditor of each county in the state. The system must also:

(1) provide for voters to submit their voter registration applications to any county auditor, the secretary of state, or the Department of Public Safety;

(2) provide for the definition, establishment, and maintenance of a central database for all voter registration information;

(3) provide for entering data into the statewide registration system;

(4) provide for electronic transfer of completed voter registration applications from the Department of Public Safety to the secretary of state or the county auditor;

(5) assign a unique identifier to each legally registered voter in the state;

(6) provide for the acceptance of the Minnesota driver's license number, Minnesota state identification number, and last four digits of the Social Security number for each voter record;

(7) coordinate with other agency databases within the state;

(8) allow county auditors and the secretary of state to add or modify information in the system to provide for accurate and up-to-date records;

(9) allow county auditors, municipal and school district clerks, and the secretary of state to have electronic access to the statewide registration system for review and search capabilities;

(10) provide security and protection of all information in the statewide registration system and ensure that unauthorized access is not allowed;

(11) provide access to municipal clerks to use the system;

(12) provide a system for each county to identify the precinct to which a voter should be assigned for voting purposes;

(13) provide daily reports accessible by county auditors on the driver's license numbers, state identification numbers, or last four digits of the Social Security numbers submitted on voter registration applications that have been verified as accurate by the secretary of state; ~~and~~

(14) provide reports on the number of absentee ballots transmitted to and returned and cast by voters under section 203B.16; and

(15) provide reports necessary for early voting.

The appropriate state or local official shall provide security measures to prevent unauthorized access to the computerized list established under section 201.021.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 12. Minnesota Statutes 2022, section 201.061, subdivision 1, is amended to read:

Subdivision 1. **Prior to election day.** (a) At any time except during the 20 days immediately preceding any regularly scheduled election, an eligible voter or any individual who will be an eligible voter at the time of the next election may register to vote in the precinct in which the voter maintains residence by completing a voter registration application as described in section 201.071, subdivision 1. A completed application may be submitted:

(1) in person or by mail to the county auditor of that county or to the Secretary of State's Office;
or

(2) electronically through a secure website that shall be maintained by the secretary of state for this purpose, if the applicant has an email address and provides the applicant's verifiable Minnesota driver's license number, Minnesota state identification card number, or the last four digits of the applicant's Social Security number.

(b) A registration that is received in person or by mail no later than 5:00 p.m. on the 21st day preceding any election, or a registration received electronically through the secretary of state's secure website no later than 11:59 p.m. on the 21st day preceding any election, shall be accepted. An improperly addressed or delivered registration application shall be forwarded within two working days after receipt to the county auditor of the county where the voter maintains residence. A state or local agency or an individual that accepts completed voter registration applications from a voter must submit the completed applications to the secretary of state or the appropriate county auditor within ten calendar days after the applications are dated by the voter.

~~(b)~~ (c) An application submitted electronically under paragraph (a), clause (2), may only be transmitted to the county auditor for processing if the secretary of state has verified the application information matches the information in a government database associated with the applicant's driver's license number, state identification card number, or Social Security number. The secretary of state must review all unverifiable voter registration applications submitted electronically for evidence of suspicious activity and must forward any such application to an appropriate law enforcement agency for investigation.

(d) An individual may not electronically submit a voter registration application on behalf of any other individual, except that the secretary of state may provide features on the secure website established under paragraph (a), clause (2), that allow third parties to connect application programming interfaces that facilitate an individual's submission of voter registration information while interacting with the third party.

~~(e)~~ (e) For purposes of this section, mail registration is defined as a voter registration application delivered to the secretary of state, county auditor, or municipal clerk by the United States Postal Service or a commercial carrier.

Sec. 13. Minnesota Statutes 2022, section 201.061, subdivision 3, is amended to read:

Subd. 3. **Election day registration.** (a) An individual who is eligible to vote may register on election day by appearing in person at the polling place for the precinct in which the individual maintains residence, by completing a registration application, making an oath in the form prescribed by the secretary of state and providing proof of residence. An individual may prove residence for purposes of registering by:

(1) presenting a driver's license or Minnesota identification card issued pursuant to section 171.07;

(2) presenting any document approved by the secretary of state as proper identification;

(3) presenting one of the following:

(i) a current valid student identification card from a postsecondary educational institution in Minnesota, if a list of students from that institution has been prepared under section 135A.17 and certified to the county auditor in the manner provided in rules of the secretary of state; or

(ii) a current student fee statement that contains the student's valid address in the precinct together with a picture identification card; or

(4) having a voter who is registered to vote in the precinct, or an employee employed by and working in a residential facility in the precinct and vouching for a resident in the facility, sign an oath in the presence of the election judge vouching that the voter or employee personally knows that the individual is a resident of the precinct. A voter who has been vouched for on election day may not sign a proof of residence oath vouching for any other individual on that election day. A voter who is registered to vote in the precinct may sign up to eight proof-of-residence oaths on any election day. This limitation does not apply to an employee of a residential facility described in this clause. The secretary of state shall provide a form for election judges to use in recording the number of individuals for whom a voter signs proof-of-residence oaths on election day. The form must include space for the maximum number of individuals for whom a voter may sign proof-of-residence oaths. For each proof-of-residence oath, the form must include a statement that the individual: (i) is registered to vote in the precinct or is an employee of a residential facility in the precinct, (ii) personally knows that the voter is a resident of the precinct, and (iii) is making the statement on oath. The form must include a space for the voter's printed name, signature, telephone number, and address.

The oath required by this subdivision and Minnesota Rules, part 8200.9939, must be attached to the voter registration application.

(b) The operator of a residential facility shall prepare a list of the names of its employees currently working in the residential facility and the address of the residential facility. The operator shall certify the list and provide it to the appropriate county auditor no less than 20 days before each election for use in election day registration.

(c) "Residential facility" means transitional housing as defined in section 256E.33, subdivision 1; a supervised living facility licensed by the commissioner of health under section 144.50, subdivision 6; a nursing home as defined in section 144A.01, subdivision 5; ~~a residence registered with the commissioner of health as a housing with services establishment as defined in section 144D.01, subdivision 4~~ an assisted living facility licensed by the commissioner of health under chapter 144G;

a veterans home operated by the board of directors of the Minnesota Veterans Homes under chapter 198; a residence licensed by the commissioner of human services to provide a residential program as defined in section 245A.02, subdivision 14; a residential facility for persons with a developmental disability licensed by the commissioner of human services under section 252.28; setting authorized to provide housing support as defined in section 256I.03, subdivision 3; a shelter for battered women as defined in section 611A.37, subdivision 4; ~~or~~ a supervised publicly or privately operated shelter or dwelling designed to provide temporary living accommodations for the homeless; a facility where a provider operates a residential treatment program as defined in section 245.462, subdivision 23; or a facility where a provider operates an adult foster care program as defined in section 245A.02, subdivision 6c.

(d) For tribal band members, an individual may prove residence for purposes of registering by:

(1) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, address, signature, and picture of the individual; or

(2) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, signature, and picture of the individual and also presenting one of the documents listed in Minnesota Rules, part 8200.5100, subpart 2, item B.

(e) A county, school district, or municipality may require that an election judge responsible for election day registration initial each completed registration application.

Sec. 14. Minnesota Statutes 2022, section 201.061, is amended by adding a subdivision to read:

Subd. 3a. Additional proofs of residence permitted for students. (a) An eligible voter may prove residence by presenting a current valid photo identification issued by a postsecondary educational institution in Minnesota if the voter's name; student identification number, if available; and address within the precinct appear on a current residential housing list under section 135A.17, certified to the county auditor by the postsecondary educational institution.

(b) This additional proof of residence for students must not be allowed unless the postsecondary educational institution submits to the county auditor no later than 60 days prior to the election a written agreement that the postsecondary educational institution will certify for use at the election accurate updated residential housing lists under section 135A.17. A written agreement is effective for the election and all subsequent elections held in that calendar year, including the November general election.

(c) The additional proof of residence for students must be allowed on an equal basis for voters who reside in housing meeting the requirements of section 135A.17, if the residential housing lists certified by the postsecondary educational institution meet the requirements of this subdivision.

(d) An updated residential housing list must be certified to the county auditor no earlier than 20 days prior to each election. The certification must be dated and signed by the chief officer or designee of the postsecondary educational institution and must state that the list is current and accurate and includes only the names of persons residing as of the date of the certification.

(e) The county auditor shall instruct the election judges of the precinct in procedures for use of the list in conjunction with photo identification. The auditor shall supply a list to the election judges with the election supplies for the precinct.

(f) The county auditor shall notify all postsecondary educational institutions in the county of the provisions of this subdivision.

Sec. 15. Minnesota Statutes 2022, section 201.071, subdivision 1, as amended by Laws 2023, chapter 12, section 2, is amended to read:

Subdivision 1. **Form.** Both paper and electronic voter registration applications must contain the same information unless otherwise provided by law. A voter registration application must contain spaces for the following required information: voter's first name, middle name, and last name; voter's previous name, if any; voter's current address; voter's previous address, if any; voter's date of birth; voter's municipality and county of residence; voter's telephone number, if provided by the voter; date of registration; current and valid Minnesota driver's license number or Minnesota state identification number, or if the voter has no current and valid Minnesota driver's license or Minnesota state identification, the last four digits of the voter's Social Security number; and voter's signature. The paper registration application may include the voter's email address, if provided by the voter. The electronic voter registration application must include the voter's email address. The registration application may include the voter's interest in serving as an election judge, if indicated by the voter. The application must also contain the following certification of voter eligibility:

"I certify that I:

- (1) will be at least 18 years old on election day;
- (2) am a citizen of the United States;
- (3) will have ~~resided~~ maintained residence in Minnesota for 20 days immediately preceding election day;
- (4) maintain residence at the address given on the registration form;
- (5) am not under court-ordered guardianship in which the court order revokes my right to vote;
- (6) have not been found by a court to be legally incompetent to vote;
- (7) am not currently incarcerated for a conviction of a felony offense; and
- (8) have read and understand the following statement: that giving false information is a felony punishable by not more than five years imprisonment or a fine of not more than \$10,000, or both."

The certification must include boxes for the voter to respond to the following questions:

"(1) Are you a citizen of the United States?" and

"(2) Will you be 18 years old on or before election day?"

And the instruction:

"If you checked 'no' to either of these questions, do not complete this form."

The form of the voter registration application and the certification of voter eligibility must be as provided in this subdivision and approved by the secretary of state. Voter registration forms authorized by the National Voter Registration Act must also be accepted as valid. The federal postcard application form must also be accepted as valid if it is not deficient and the voter is eligible to register in Minnesota.

An individual may use a voter registration application to apply to register to vote in Minnesota or to change information on an existing registration.

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

Sec. 16. Minnesota Statutes 2022, section 201.071, subdivision 8, is amended to read:

Subd. 8. **School district assistance.** School districts shall assist county auditors in determining the school district in which a voter ~~resides~~ maintains residence.

Sec. 17. Minnesota Statutes 2022, section 201.091, subdivision 4a, is amended to read:

Subd. 4a. **Presidential primary political party list.** The secretary of state must maintain a list of the voters who voted in a presidential nomination primary and the political party each voter selected. Information maintained on the list is private data on individuals as defined under section 13.02, subdivision 12, except that the secretary of state must provide ~~the list~~ to the chair of each major political party the list of voters who selected that party.

Sec. 18. Minnesota Statutes 2022, section 201.12, subdivision 2, is amended to read:

Subd. 2. **Moved within state.** If any nonforwardable mailing from an election official is returned as undeliverable but with a permanent forwarding address in this state, the county auditor may change the voter's status to "inactive" in the statewide registration system and shall transmit a copy of the mailing to the auditor of the county in which the new address is located. If an election is scheduled to occur in the precinct in which the voter ~~resides~~ maintains residence in the next 47 days, the county auditor shall promptly update the voter's address in the statewide voter registration system. If there is not an election scheduled, the auditor may wait to update the voter's address until after the next list of address changes is received from the secretary of state. Once updated, the county auditor shall mail to the voter a notice stating the voter's name, address, precinct, and polling place, except that if the voter's record is challenged due to a felony conviction, noncitizenship, name change, incompetence, or a court's revocation of voting rights of individuals under guardianship, the auditor must not mail the notice. The notice must advise the voter that the voter's voting address has been changed and that the voter must notify the county auditor within 21 days if the new address is not the voter's address of residence. The notice must state that it must be returned if it is not deliverable to the voter at the named address.

Sec. 19. Minnesota Statutes 2022, section 201.121, subdivision 1, is amended to read:

Subdivision 1. **Entry of registration information.** (a) At the time a voter registration application is properly completed, submitted, and received in accordance with sections 201.061 and 201.071, the county auditor shall enter the information contained on it into the statewide registration system.

Voter registration applications completed before election day must be entered into the statewide registration system within ten days after they have been submitted to the county auditor. Voter registration applications completed on election day must be entered into the statewide registration system within 42 days after the election, unless the county auditor notifies the secretary of state before the deadline has expired that the deadline will not be met. Upon receipt of a notification under this paragraph, the secretary of state must extend the deadline for that county auditor by an additional 28 days. The secretary of state may waive a county's obligations under this paragraph if, on good cause shown, the county demonstrates its permanent inability to comply.

The secretary of state must post data on each county's compliance with this paragraph on the secretary of state's website including, as applicable, the date each county fully complied or the deadline by which a county's compliance must be complete.

(b) Upon receiving a completed voter registration application, the secretary of state may electronically transmit the information on the application to the appropriate county auditor as soon as possible for review by the county auditor before final entry into the statewide registration system. The secretary of state may mail the voter registration application to the county auditor.

(c) Within ten days after the county auditor has entered information from a voter registration application into the statewide registration system, the secretary of state shall compare the voter's name, date of birth, and driver's license number, state identification number, or the last four digits of the Social Security number with the same information contained in the Department of Public Safety database.

(d) The secretary of state shall provide a report to the county auditor on a weekly basis that includes a list of voters whose name, date of birth, or identification number have been compared with the same information in the Department of Public Safety database and cannot be verified as provided in this subdivision. The report must list separately those voters who have submitted a voter registration application by mail and have not voted in a federal election in this state.

(e) The county auditor shall compile a list of voters for whom the county auditor and the secretary of state are unable to conclude that information on the voter registration application and the corresponding information in the Department of Public Safety database relate to the same person.

(f) The county auditor shall send a notice of incomplete registration to any voter whose name appears on the list and change the voter's status to "~~incomplete.~~" "challenged." A voter who receives a notice of incomplete registration from the county auditor may either provide the information required to ~~complete the registration~~ clear the challenge at least 21 days before the next election or at the polling place on election day.

Sec. 20. Minnesota Statutes 2022, section 201.13, subdivision 3, is amended to read:

Subd. 3. Use of change of address system. (a) At least once each month the secretary of state shall obtain a list of individuals registered to vote in this state who have filed with the United States Postal Service a change of their permanent address. The secretary of state may also periodically obtain a list of individuals with driver's licenses or state identification cards to identify those who are registered to vote who have applied to the Department of Public Safety for a replacement driver's license or state identification card with a different address, and a list of individuals for whom the Department of Public Safety received notification of a driver's license or state identification card

cancellation due to a change of residency out of state. However, the secretary of state shall not load data derived from these lists into the statewide voter registration system within the 47 days before the state primary or 47 days before a November general election.

(b) If the address is changed to another address in this state, the secretary of state shall locate the precinct in which the voter ~~resides~~ maintains residence, if possible. If the secretary of state is able to locate the precinct in which the voter ~~resides~~ maintains residence, the secretary must transmit the information about the changed address by electronic means to the county auditor of the county in which the new address is located. For addresses for which the secretary of state is unable to determine the precinct, the secretary may forward information to the appropriate county auditors for individual review. If the voter has not voted or submitted a voter registration application since the address change, upon receipt of the information, the county auditor shall update the voter's address in the statewide voter registration system. The county auditor shall mail to the voter a notice stating the voter's name, address, precinct, and polling place, unless the voter's record is challenged due to a felony conviction, noncitizenship, name change, incompetence, or a court's revocation of voting rights of individuals under guardianship, in which case the auditor must not mail the notice. The notice must advise the voter that the voter's voting address has been changed and that the voter must notify the county auditor within 21 days if the new address is not the voter's address of residence. The notice must state that it must be returned if it is not deliverable to the voter at the named address.

(c) If the change of permanent address is to an address outside this state, the secretary of state shall notify by electronic means the auditor of the county where the voter formerly ~~resided~~ maintained residence that the voter has moved to another state. If the voter has not voted or submitted a voter registration application since the address change, the county auditor shall promptly mail to the voter at the voter's new address a notice advising the voter that the voter's status in the statewide voter registration system will be changed to "inactive" unless the voter notifies the county auditor within 21 days that the voter is retaining the former address as the voter's address of residence, except that if the voter's record is challenged due to a felony conviction, noncitizenship, name change, incompetence, or a court's revocation of voting rights of individuals under guardianship, the auditor must not mail the notice. If the notice is not received by the deadline, the county auditor shall change the voter's status to "inactive" in the statewide voter registration system.

(d) If, in order to maintain voter registration records, the secretary of state enters an agreement to share information or data with an organization governed exclusively by a group of states, the secretary must first determine that the data security protocols are sufficient to safeguard the information or data shared. If required by such an agreement, the secretary of state may share the following data from the statewide voter registration system and data released to the secretary of state under section 171.12, subdivision 7a:

- (1) name;
- (2) date of birth;
- (3) address;
- (4) driver's license or state identification card number;
- (5) the last four digits of an individual's Social Security number; and

(6) the date that an individual's record was last updated.

If the secretary of state enters into such an agreement, the secretary and county auditors must process changes to voter records based upon that data in accordance with this section. Except as otherwise provided in this subdivision, when data is shared with the secretary of state by another state, the secretary of state must maintain the same data classification that the data had while it was in the possession of the state providing the data.

Sec. 21. Minnesota Statutes 2022, section 201.145, subdivision 3, is amended to read:

Subd. 3. **Commissioner of corrections report; state court administrator report.** (a) ~~The state court administrator must report on individuals 17 years of age or older who have been convicted of a felony.~~

~~(b)~~ (b) The commissioner of corrections must report on individuals ~~17~~ 16 years of age or older who are currently:

~~(1) serving incarcerated for felony sentences under the commissioner's jurisdiction; or~~

~~(2) on probation for felony offenses that resulted in the loss of civil rights, as indicated by the statewide supervision system established under section 241.065.~~

~~(e)~~ (b) Each report under this subdivision must include the following information for each individual: name, address or last known residential address that is not a correctional facility, and date of birth. If available, each report must also include the individual's: corrections' state identification number, last four digits of the Social Security number, driver's license or state identification card number, ~~date of sentence, effective date of the sentence, county in which the conviction occurred, and date of discharge~~ and most recent date of incarceration.

~~(d)~~ (c) No later than seven calendar days after receiving a report under this subdivision, the secretary of state must determine ~~if a person identified under paragraph (a) is registered to vote and must prepare a list of those registrants for the county auditor. No later than seven calendar days after receiving a report under this subdivision, the secretary of state must determine~~ if any data newly indicates that a person identified under paragraph ~~(b)~~ (a) is registered to vote and must prepare a list of those registrants for the county auditor. No later than seven calendar days after receiving the list from the secretary of state, the county auditor must challenge the status on the record in the statewide voter registration system of each individual named in the list.

~~(e)~~ (d) The county auditor must identify an individual who ~~registered to vote or voted while serving incarcerated for a felony sentence under the commissioner's jurisdiction or while on probation for a felony offense that resulted in the loss of civil rights during a period when the individual's civil rights were revoked.~~ The county auditor must immediately send notice to the county attorney. The notice must include the name of the individual and any other identifying information as well as the evidence that shows the individual ~~registered to vote or voted during the period when the individual's civil rights were revoked~~ of incarceration.

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

Sec. 22. Minnesota Statutes 2022, section 201.145, subdivision 4, is amended to read:

Subd. 4. **Reports; restoration of right to vote.** (a) The state court administrator must report on each individual whose guardianship was modified to restore the ward's right to vote or whose guardianship was terminated by order of the court under section 524.5-317 after being ineligible to vote for any of the reasons specified in subdivision 2, paragraph (a).

~~(b) The state court administrator must report on individuals previously convicted of a felony whose civil rights have been restored.~~

~~(c) The commissioner of corrections must report on individuals who were serving incarcerated for a felony sentence under the commissioner's jurisdiction or who were on probation for a felony offense under the commissioner's jurisdiction that resulted in the loss of civil rights but who have been discharged from the sentence and have been released from incarceration.~~

~~(d)~~ (c) Each report under this subdivision must include the following information for each individual: name, address, date of birth, and, if available, the last four digits of the Social Security number. For ~~reports~~ the report required by ~~paragraphs~~ paragraph (b) ~~and (c)~~, each ~~the~~ report must also include the individual's, if available: corrections' state identification number, driver's license or state identification card number, date of ~~sentence, effective date of the sentence~~ incarceration, county in which the conviction occurred, and date of discharge.

~~(e)~~ (d) No later than seven calendar days after receiving a report under this subdivision, the secretary of state must determine if a person identified under paragraph (a) ~~or (b)~~ is registered to vote and must prepare a list of those registrants for the county auditor. No later than seven calendar days after receiving a report under this subdivision, the secretary of state must determine if any data newly indicates that a person identified under paragraph ~~(e)~~ (b) is registered to vote and must prepare a list of those registrants for the county auditor. No later than seven calendar days after receiving the list from the secretary of state, the county auditor must remove the challenge status on the record in the statewide voter registration system of each individual named in the list.

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

Sec. 23. Minnesota Statutes 2022, section 201.1611, subdivision 1, is amended to read:

Subdivision 1. **Forms.** (a) All postsecondary institutions that enroll students accepting state or federal financial aid ~~shall~~ must provide voter registration forms to each student ~~as early as possible in the fall quarter~~ during the fall and spring of each year. In state election years, it must be provided 15 days in advance of the deadline for registering to vote for the state general election. If the voter registration forms are provided electronically, the electronic message must be devoted exclusively to voter registration.

(b) All school districts ~~shall~~ must make available voter registration applications each May and September to all students registered as students of the school district who will be eligible to vote at the next election after those months. A school district has no obligation to provide voter registration applications to students who participate in a postsecondary education option program or who otherwise ~~reside~~ maintain residence in the district but do not attend a school operated by the district. A school district fulfills its obligation to a student under this section if it provides a voter registration application to the student one time.

(c) The voter registration forms must contain spaces for the information required in section 201.071, subdivision 1, and applicable rules of the secretary of state. The institutions and school districts may request these forms from the secretary of state. Institutions shall must consult with their campus student government in determining the most effective means of distributing the forms and in seeking to facilitate election day registration of students under section 201.061, subdivision 3. School districts must advise students that completion of the voter registration application is not a school district requirement.

(d) The institutions must report to the secretary of state by November 30 of each year on their implementation of this section. At a minimum, the report must include how and when the forms were distributed and the voter engagement plan under subdivision 3, paragraph (b), clause (2). Institutions may include information about methods that were effective in increasing student registrations.

(e) By February 1 of each year, the secretary of state must report to the chairs and ranking minority members of the legislative committees with jurisdiction over elections on the information under paragraph (d). The secretary must highlight best practices and innovative methods that were most effective in registering students to vote.

Sec. 24. Minnesota Statutes 2022, section 201.1611, is amended by adding a subdivision to read:

Subd. 3. **Voter information.** (a) All postsecondary institutions that enroll students accepting state or federal financial aid must maintain a webpage to share resources to help students determine where and how they are eligible to vote. The webpage must include the following:

(1) resources from state and local election officials on voter registration and voting requirements including voter registration deadlines; residency requirements; acceptable methods of proving residency for same day registration, as applicable; and absentee voting options;

(2) applicable deadlines for requesting and submitting an absentee ballot, as well as additional options for early and in-person voting, and voting on election day;

(3) resources to help students who are registered in another state to apply for absentee ballots in that state, and may include resources from state and local election officials from that state;

(4) the campus vote coordinator's name and contact information; and

(5) the voter engagement plan required by paragraph (b), clause (2).

(b) All postsecondary institutions that enroll students accepting state or federal financial aid must designate a staff person as the campus vote coordinator. The campus vote coordinator must:

(1) ensure the institution complies with this section; and

(2) consult with the campus student association to develop a voter engagement plan that identifies goals and activities, resources to accomplish the identified goals and activities, and individual or key departments responsible for executing the identified goals and activities.

Sec. 25. Minnesota Statutes 2022, section 201.195, is amended to read:

201.195 CHALLENGES.

Subdivision 1. **Petition; hearing timing.** (a) Upon petition filed with the county auditor, any voter registered within a county may challenge the eligibility or residence of any other voter registered within that county. A petition filed pursuant to this section must not include the name of more than one person whose right to vote is challenged. The county auditor must not accept a filing which challenges the eligibility of more than one voter. Petitions must be filed at least 45 days before the election, unless the voter registered or updated the voter's registration within 60 days before the election, in which case the petition must be filed at least ten days before the election, or within ten days after the voter's new or updated registration appeared on the public information list, whichever is later.

(b) The petition shall must state the grounds for challenge and, provide facts and circumstances supporting the challenge, and may include supporting documents, affidavits, or other evidence. The petition must be accompanied by an affidavit stating that the challenge is based on the challenger's personal knowledge, and that the filer exercised due diligence to personally verify the facts and circumstances establishing the basis for the challenge. The filer has the burden to prove, by clear and convincing evidence, that the basis for challenging the individual's eligibility to vote is valid.

(c) The following reasons, standing alone, do not constitute adequate grounds for a challenge:

(1) a piece of mail sent to the voter by someone other than the county auditor that was returned as undeliverable;

(2) enrollment in an educational institution; or

(3) registration to vote at an address that is housing provided for students by an educational institution.

Subd. 1a. **Reasons for dismissal.** If the petition is incomplete, or if the basis for the challenge does not meet the requirements of this section, the county auditor must dismiss the petition and notify the filer in writing of the reasons for the dismissal.

Subd. 1b. **Notice to voter.** Within five days after receipt of the a petition that meets the requirements of this section, the county auditor shall must set a date for a hearing on the challenge and notify the challenger by mail. A copy of the petition and notice of the hearing shall must be served on the challenged voter by the county auditor in the same manner as in a civil action. The county auditor must inform the challenged individual that:

(1) a petition has been filed as to whether the individual is eligible to vote as well as the basis of the challenge;

(2) if the individual votes by mail, the individual's ballot will not be counted unless the challenge is resolved; and

(3) the individual may submit information prior to the hearing or present information at the hearing. This information may include a sworn statement, supporting documents, affidavits, witnesses, or other evidence supporting the challenged individual's eligibility to vote in the election.

Subd. 1c. **Hearing.** The hearing ~~shall~~ must be held before the county auditor or the auditor's designee who ~~shall~~ must then make findings and affirm or dismiss the challenge. The hearing must be recorded by either video or audio recording. The recording must be retained for 22 months.

Subd. 2. **Appeal.** If a challenge is affirmed, the voter whose registration has been challenged may appeal the ruling to the secretary of state. The voter must immediately notify the county auditor of the appeal, and upon receipt of this notice, the county auditor must submit the entire record of the hearing, including all documents and a recording of the hearing, to the secretary of state. The appeal ~~shall~~ must be heard within five days but in any case before election day. Upon hearing the appeal the secretary of state ~~shall~~ must affirm or reverse the ruling and ~~shall~~ must give appropriate instructions to the county auditor.

Subd. 3. **Hearing procedures.** A hearing before the secretary of state ~~shall~~ must be conducted as a contested case and determined in accordance with chapter 14.

Sec. 26. Minnesota Statutes 2022, section 201.225, subdivision 2, is amended to read:

Subd. 2. **Technology requirements.** An electronic roster must:

(1) be able to be loaded with a data file that includes voter registration data in a file format prescribed by the secretary of state;

(2) allow for data to be exported in a file format prescribed by the secretary of state;

(3) allow for data to be entered manually or by scanning a Minnesota driver's license or identification card to locate a voter record or populate a voter registration application that would be printed and signed and dated by the voter. The printed registration application can be ~~either~~ a printed form, ~~labels~~ a label printed with voter information to be affixed to a preprinted form, ~~or~~ a combination of ~~both~~ a form and label, or an electronic record that the voter signs electronically and is printed following its completion at the polling place;

(4) allow an election judge to update data that was populated from a scanned driver's license or identification card;

(5) cue an election judge to ask for and input data that is not populated from a scanned driver's license or identification card that is otherwise required to be collected from the voter or an election judge;

(6) immediately alert the election judge if the voter has provided information that indicates that the voter is not eligible to vote;

(7) immediately alert the election judge if the electronic roster indicates that a voter has already voted in that precinct, the voter's registration status is challenged, or it appears the voter ~~resides~~ maintains residence in a different precinct;

(8) provide immediate instructions on how to resolve a particular type of challenge when a voter's record is challenged;

(9) provide for a printed voter signature certificate, containing the voter's name, address of residence, date of birth, voter identification number, the oath required by section 204C.10, and a

space for the voter's original signature. The printed voter signature certificate can be ~~either~~ a printed form ~~or~~, a label printed with the voter's information to be affixed to the oath, or an electronic record that the voter signs electronically and is printed following its completion at the polling place;

(10) contain only preregistered voters within the precinct, and not contain preregistered voter data on voters registered outside of the precinct, unless being utilized for absentee or early voting under chapter 203B or for mail balloting on election day pursuant to section 204B.45, subdivision 2a;

(11) be only networked within the polling location on election day, except for the purpose of updating absentee ballot records;

(12) meet minimum security, reliability, and networking standards established by the Office of the Secretary of State in consultation with the Department of Information Technology Services;

(13) be capable of providing a voter's correct polling place; and

(14) perform any other functions necessary for the efficient and secure administration of the participating election, as determined by the secretary of state.

Electronic rosters used only for election day registration do not need to comply with clauses (1), (8), and (10). Electronic rosters used only for preregistered voter processing do not need to comply with clauses (4) and (5).

Sec. 27. Minnesota Statutes 2022, section 202A.13, is amended to read:

202A.13 COMMITTEES, CONVENTIONS.

The rules of each major political party shall provide that for each congressional district and ~~each county~~ at least 45 counties or legislative ~~district~~ districts a convention shall be held at least once every state general election year. Each major political party shall also provide for each congressional district and ~~each county~~ at least 45 counties or legislative ~~district~~ districts an executive committee consisting of a chair and such other officers as may be necessary. The party rules may provide for only one executive committee and one convention where any county and congressional district have the same territorial limits.

A delegate or alternate who is deaf, deafblind, or hard-of-hearing who needs interpreter services at a county, legislative district, congressional district, or state convention shall so notify the executive committee of the major political party unit whose convention the delegate or alternate plans to attend. Written notice must be given by certified mail or electronic mail to the executive committee at least 30 days before the convention date. The major political party, not later than 14 days before the convention date, shall secure the services of one or more interpreters if available and shall assume responsibility for the cost of the services. The state central committee of the major political party shall determine the process for reimbursing interpreters.

A visually impaired delegate or alternate to a county, legislative district, congressional district, or state convention may notify the executive committee of the major political party unit that the delegate or alternate requires convention materials in audio tape, Braille, or large print format. Upon receiving the request, the executive committee shall provide all official written convention materials

as soon as they are available, so that the visually impaired individual may have them converted to audio tape, Braille, or large print format, prior to the convention.

Sec. 28. Minnesota Statutes 2022, section 202A.18, subdivision 2a, is amended to read:

Subd. 2a. **Preference ballot for governor.** In a year when the office of governor appears on the state general election ballot, prior to the opening of nominations for the election of permanent offices and delegates, a ballot must be distributed to permit caucus participants to indicate their preference for the office of the governor. The results of preference voting must be reported to the secretary of state immediately upon conclusion of the voting, in the manner provided by the secretary of state. The secretary of state shall provide the appropriate forms to the party for reporting the results.

Sec. 29. Minnesota Statutes 2022, section 203B.001, is amended to read:

203B.001 ELECTION LAW APPLICABILITY.

The Minnesota Election Law is applicable to voting by absentee ballot and early voting unless otherwise provided in this chapter.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 30. Minnesota Statutes 2022, section 203B.01, is amended by adding a subdivision to read:

Subd. 5. **Early voting.** "Early voting" means voting in person before election day as provided in section 203B.30.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 31. Minnesota Statutes 2022, section 203B.01, is amended by adding a subdivision to read:

Subd. 6. **Utility worker.** "Utility worker" means an employee of a public utility as defined by section 216B.02, subdivision 4.

Sec. 32. Minnesota Statutes 2022, section 203B.03, subdivision 1, is amended to read:

Subdivision 1. **Violation.** (a) No individual shall intentionally:

- (1) make or sign any false certificate required by this chapter;
- (2) make any false or untrue statement in any application for absentee ballots;
- (3) apply for absentee ballots more than once in any election with the intent to cast an illegal ballot;
- (4) exhibit a ballot marked by that individual to any other individual;

(5) do any act in violation of the provisions of this chapter for the purpose of casting an illegal vote in any precinct or for the purpose of aiding another to cast an illegal vote;

(6) use information from absentee ballot or early voting materials or records for purposes unrelated to elections, political activities, or law enforcement;

(7) provide assistance to an absentee or early voter except in the manner provided by section 204C.15, subdivision 1;

(8) solicit the vote of an absentee voter while in the immediate presence of the voter during the time the individual knows the absentee voter is voting; or

(9) alter an absentee ballot application after it has been signed by the voter, except by an election official for administrative purposes.

(b) Before inspecting information from absentee ballot or early voting materials or records, an individual shall provide identification to the public official having custody of the material or information.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 33. Minnesota Statutes 2022, section 203B.03, is amended by adding a subdivision to read:

Subd. 1a. Prohibited methods of compensation. (a) No individual may be compensated for the solicitation, collection, or acceptance of absentee ballot applications from voters for submission to the county auditor or other local election official in a manner in which payment is calculated by multiplying (1) either a set or variable payment rate, by (2) the number of applications solicited, collected, or accepted.

(b) No individual may be deprived of compensation or have compensation automatically reduced exclusively for failure to solicit, collect, or accept a minimum number of absentee ballot applications.

(c) No individual may receive additional compensation for collecting a certain number of absentee ballot applications.

(d) Violation of this subdivision is a petty misdemeanor.

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

Sec. 34. Minnesota Statutes 2022, section 203B.05, subdivision 1, is amended to read:

Subdivision 1. **Generally.** The full-time clerk of any city or town shall administer the provisions of sections 203B.04 to 203B.15 and 203B.30 if:

(1) the county auditor of that county has designated the clerk to administer them; or

(2) the clerk has given the county auditor of that county notice of intention to administer them.

The designation or notice must specify whether the clerk will be responsible for the administration of a ballot board as provided in section 203B.121.

A clerk of a city that is located in more than one county may only administer the provisions of sections 203B.04 to 203B.15 and 203B.30 if the clerk has been designated by each of the county auditors or has provided notice to each of the county auditors that the city will administer absentee voting. A clerk may only administer the provisions of sections 203B.04 to 203B.15 and 203B.30 if the clerk has technical capacity to access the statewide voter registration system in the secure manner prescribed by the secretary of state. The secretary of state must identify hardware, software, security, or other technical prerequisites necessary to ensure the security, access controls, and performance of the statewide voter registration system. A clerk must receive training approved by the secretary of state on the use of the statewide voter registration system before administering this section. A clerk may not use the statewide voter registration system until the clerk has received the required training. The county auditor must notify the secretary of state of any municipal clerk who will be administering the provisions of this section and the duties that the clerk will administer.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 35. Minnesota Statutes 2022, section 203B.06, subdivision 3, is amended to read:

Subd. 3. **Delivery of ballots.** (a) The commissioner of corrections must provide the secretary of state with a list of the names and mailing addresses of state adult correctional facilities. An application for an absentee ballot that provides an address included on the list provided by the commissioner of corrections must not be accepted and an absentee ballot must not be provided to the applicant. The county auditor or municipal clerk must promptly transmit a copy of the application to the county attorney. The Department of Corrections must implement procedures to ensure that absentee ballots issued under this chapter are not received or mailed by offenders incarcerated at state adult correctional facilities.

(b) If an application for absentee ballots is accepted at a time when absentee ballots are not yet available for distribution, the county auditor, or municipal clerk accepting the application shall file it and as soon as absentee ballots are available for distribution shall mail them to the address specified in the application. If an application for absentee ballots is accepted when absentee ballots are available for distribution, the county auditor or municipal clerk accepting the application shall promptly:

(1) mail the ballots to the voter whose signature appears on the application if the application is submitted by mail and does not request commercial shipping under clause (2);

(2) ship the ballots to the voter using a commercial shipper requested by the voter at the voter's expense;

(3) deliver the absentee ballots directly to the voter if the application is submitted in person; or

(4) deliver the absentee ballots in a sealed transmittal envelope to an agent who has been designated to bring the ballots, as provided in section 203B.11, subdivision 4, to a voter who would have difficulty getting to the polls because of incapacitating health reasons, or who is disabled, or who is a patient in a health care facility, a resident of a ~~facility providing an~~ assisted living services

~~governed by~~ facility licensed under chapter 144G, a participant in a residential program for adults licensed under section 245A.02, subdivision 14, or a resident of a shelter for battered women as defined in section 611A.37, subdivision 4.

(c) If an application does not indicate the election for which absentee ballots are sought, the county auditor or municipal clerk shall mail or deliver only the ballots for the next election occurring after receipt of the application. Only one set of ballots may be mailed, shipped, or delivered to an applicant for any election, except as provided in section 203B.121, subdivision 2, or when a replacement ballot has been requested by the voter for a ballot that has been spoiled or lost in transit.

Sec. 36. Minnesota Statutes 2022, section 203B.07, subdivision 1, is amended to read:

Subdivision 1. **Delivery of envelopes, directions.** The county auditor or the municipal clerk shall prepare, print, and transmit a return envelope, a signature envelope, a ballot envelope, and a copy of the directions for casting an absentee ballot to each applicant whose application for absentee ballots is accepted pursuant to section 203B.04. The county auditor or municipal clerk shall provide first class postage for the return envelope. The directions for casting an absentee ballot shall be printed in at least 14-point bold type with heavy leading and may be printed on the ballot envelope. When a person requests the directions in Braille or on audio file, the county auditor or municipal clerk shall provide them in the form requested. The secretary of state shall prepare Braille and audio file copies and make them available.

When a voter registration application is sent to the applicant as provided in section 203B.06, subdivision 4, the directions or registration application shall include instructions for registering to vote.

Sec. 37. Minnesota Statutes 2022, section 203B.07, subdivision 2, is amended to read:

Subd. 2. **Design of envelopes.** (a) ~~The return signature envelope~~ shall be of sufficient size to conveniently enclose and contain the ballot envelope and a folded voter registration application. ~~The return signature envelope shall be designed to open on the left-hand end.~~

(b) The return envelope must be designed in one of the following ways:

(1) it must be of sufficient size to contain ~~an additional~~ a signature envelope ~~that when and when the return envelope is sealed, it~~ conceals the signature, identification, and other information; or

(2) it must be the signature envelope and provide an additional flap that when sealed, conceals the signature, identification, and other information.

(c) Election officials may open the flap or the ~~additional~~ return envelope at any time after receiving the returned ballot to inspect the returned certificate for completeness or to ascertain other information.

Sec. 38. Minnesota Statutes 2022, section 203B.07, subdivision 3, is amended to read:

Subd. 3. **Eligibility certificate.** A certificate of eligibility to vote by absentee ballot shall be printed on the back of the ~~return signature~~ envelope. The certificate shall contain space for the voter's Minnesota driver's license number, state identification number, or the last four digits of the voter's

Social Security number, or to indicate that the voter does not have one of these numbers. The space must be designed to ensure that the voter provides the same type of identification as provided on the voter's absentee ballot application for purposes of comparison. The certificate must also contain a statement to be signed and sworn by the voter indicating that the voter meets all of the requirements established by law for voting by absentee ballot and space for a statement signed by a person who is registered to vote in Minnesota or by a notary public or other individual authorized to administer oaths stating that:

(1) the ballots were displayed to that individual unmarked;

(2) the voter marked the ballots in that individual's presence without showing how they were marked, or, if the voter was physically unable to mark them, that the voter directed another individual to mark them; and

(3) if the voter was not previously registered, the voter has provided proof of residence as required by section 201.061, subdivision 3.

Sec. 39. Minnesota Statutes 2022, section 203B.08, subdivision 1, is amended to read:

Subdivision 1. **Marking and return by voter.** (a) An eligible voter who receives absentee ballots as provided in this chapter shall mark them in the manner specified in the directions for casting the absentee ballots. The return envelope containing marked ballots may be mailed as provided in the directions for casting the absentee ballots, may be left with the county auditor or municipal clerk who transmitted the absentee ballots to the voter, or may be left in a drop box as provided in section 203B.082. If delivered in person, the return envelope must be submitted to the county auditor or municipal clerk by ~~3:00~~ 8:00 p.m. on election day.

(b) The voter may designate an agent to deliver in person the sealed absentee ballot return envelope to the county auditor or municipal clerk or to deposit the return envelope in the mail. An agent may deliver or mail the return envelopes of not more than three voters in any election. Any person designated as an agent who tampers with either the return envelope or the voted ballots or does not immediately mail or deliver the return envelope to the county auditor or municipal clerk is guilty of a misdemeanor.

Sec. 40. Minnesota Statutes 2022, section 203B.08, subdivision 3, is amended to read:

Subd. 3. **Procedures on receipt of ballots.** When absentee ballots are returned to a county auditor or municipal clerk, that official shall stamp or initial and date the return envelope and place it in a locked ballot container or other secured and locked space with other return envelopes received by that office. Within five days after receipt, the county auditor or municipal clerk shall deliver to the ballot board all ballots received, except that during the 14 days immediately preceding an election, the county auditor or municipal clerk shall deliver all ballots received to the ballot board within three days. Ballots received on election day ~~either (1) after 3:00 p.m., if delivered in person; or (2) after 8:00 p.m., if delivered by mail or a package delivery service,~~ shall be marked as received late by the county auditor or municipal clerk, and must not be delivered to the ballot board.

Sec. 41. Minnesota Statutes 2022, section 203B.081, subdivision 1, is amended to read:

Subdivision 1. **Location; timing for absentee voting.** An eligible voter may vote by absentee ballot in the office of the county auditor and at any other polling place designated by the county auditor during the 46 days before the election, except as provided in this section.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 42. Minnesota Statutes 2022, section 203B.081, is amended by adding a subdivision to read:

Subd. 1a. Location; timing for early voting. An eligible voter may vote using early voting during the 18 days before a federal, state, or county election, and during the 18 days before a municipal election if authorized under section 203B.05, in the office of the county auditor and at any other polling place designated by the county auditor. In elections in which early voting is provided, the alternative voting procedure authorized by subdivision 3 must not be provided.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 43. Minnesota Statutes 2022, section 203B.081, subdivision 3, is amended to read:

Subd. 3. Alternative procedure. (a) In elections not eligible to use early voting under subdivision 1a, the county auditor may make available a ballot counter and ballot box for use by the voters during the ~~seven~~ 18 days before the election. If a ballot counter and ballot box is provided, a voter must be given the option either (1) to vote using the process provided in section 203B.08, subdivision 1, or (2) to vote in the manner provided in this subdivision.

(b) If a voter chooses to vote in the manner provided in this subdivision, the voter must state the voter's name, address, and date of birth to the county auditor or municipal clerk. The voter shall sign a voter's certificate, which must include the voter's name, identification number, and the certification required by section 201.071, subdivision 1. The signature of an individual on the voter's certificate and the issuance of a ballot to the individual is evidence of the intent of the individual to vote at that election.

(c) After signing the voter's certificate, the voter shall be issued a ballot and immediately retire to a voting station or other designated location in the polling place to mark the ballot. The ballot must not be taken from the polling place. If the voter spoils the ballot, the voter may return it to the election official in exchange for a new ballot. After completing the ballot, the voter shall deposit the ballot into the ballot box.

(d) The election official must immediately record that the voter has voted in the manner provided in section 203B.121, subdivision 3.

(e) The election duties required by this subdivision must be performed by an election judge, the county auditor, municipal clerk, or a deputy of the auditor or clerk.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 44. Minnesota Statutes 2022, section 203B.081, subdivision 3, is amended to read:

Subd. 3. **Alternative procedure.** (a) The county auditor may make available a ballot counter and ballot box for use by the voters during the ~~seven~~ 18 days before the election. If a ballot counter and ballot box is provided, a voter must be given the option either (1) to vote using the process provided in section 203B.08, subdivision 1, or (2) to vote in the manner provided in this subdivision.

(b) If a voter chooses to vote in the manner provided in this subdivision, the voter must state the voter's name, address, and date of birth to the county auditor or municipal clerk. The voter shall sign a voter's certificate, which must include the voter's name, identification number, and the certification required by section 201.071, subdivision 1. The signature of an individual on the voter's certificate and the issuance of a ballot to the individual is evidence of the intent of the individual to vote at that election.

(c) After signing the voter's certificate, the voter shall be issued a ballot and immediately retire to a voting station or other designated location in the polling place to mark the ballot. The ballot must not be taken from the polling place. If the voter spoils the ballot, the voter may return it to the election official in exchange for a new ballot. After completing the ballot, the voter shall deposit the ballot into the ballot box.

(d) The election official must immediately record that the voter has voted in the manner provided in section 203B.121, subdivision 3.

(e) The election duties required by this subdivision must be performed by an election judge, the county auditor, municipal clerk, or a deputy of the auditor or clerk.

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

Sec. 45. Minnesota Statutes 2022, section 203B.081, is amended by adding a subdivision to read:

Subd. 4. **Temporary locations.** (a) A county auditor or municipal clerk authorized under section 203B.05 to administer voting before election day may designate additional polling places with days and hours that differ from those required by section 203B.085. A designation authorized by this subdivision must be made at least 47 days before the election. The county auditor or municipal clerk must provide notice to the secretary of state at the time that the designations are made.

(b) At the request of a federally recognized Indian Tribe with a reservation in the county, the county auditor must establish an additional polling place for at least one day on the Indian reservation on a site agreed upon by the Tribe and the county auditor that is accessible to the county auditor by a public road.

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

Sec. 46. Minnesota Statutes 2022, section 203B.081, is amended by adding a subdivision to read:

Subd. 5. **Town elections.** Voters casting absentee ballots in person for a town election held in March may do so during the 30 days before the election.

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

Sec. 47. Minnesota Statutes 2022, section 203B.081, is amended by adding a subdivision to read:

Subd. 6. **Designation of locations.** The county auditor must make polling place designations at least 14 weeks before the election and must provide the notice to the secretary of state at the time the designations are made.

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

Sec. 48. Minnesota Statutes 2022, section 203B.081, is amended by adding a subdivision to read:

Subd. 7. **Notice to voters.** The county auditor must prepare a notice to the voters of the days, times, and locations for voting before election day as authorized by this section. This notice must be posted on the secretary of state's website, the county's website, and the website for each municipality in which a voting location under this section is located at least 14 days before the first day of the absentee voting period. If a county or municipality does not have a website, the county auditor or municipal clerk must publish the notice at least once in the jurisdiction's official newspaper at least seven days and not more than 14 days before the first day of the absentee voting period.

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

Sec. 49. Minnesota Statutes 2022, section 203B.081, is amended by adding a subdivision to read:

Subd. 8. **Equipment.** The county auditor must provide each polling place with at least one voting booth; a ballot box; an electronic ballot counter, unless it has not adopted use of one; and at least one electronic ballot marker for individuals with disabilities pursuant to section 206.57, subdivision 5.

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

Sec. 50. Minnesota Statutes 2022, section 203B.085, is amended to read:

203B.085 COUNTY AUDITOR'S AND MUNICIPAL CLERK'S OFFICES TO REMAIN OPEN DURING CERTAIN HOURS PRECEDING ELECTION.

Subdivision 1. **State general elections.** Prior to a state general election, the county auditor's office in each county and the clerk's office in each city or town authorized under section 203B.05 to administer voting before election day must be open:

(1) until 7:00 p.m. on the Tuesday before the election;

- (2) from 9:00 a.m. to 3:00 p.m. on the two Saturdays before the election;
- (3) from 9:00 a.m. to 3:00 p.m. on the Sunday immediately before the election; and
- (4) until 5:00 p.m. on the day before the election.

A polling place designated under section 203B.081, subdivision 4, may be open alternate days and hours.

Subd. 2. **Other elections.** In elections other than the state general election, the county auditor's office in each county and the clerk's office in each city or town authorized under section 203B.05 to administer ~~absentee balloting~~ voting before election day must be open for ~~acceptance of absentee ballot applications and casting of absentee ballots~~ voting as authorized under section 203B.081 from ~~10:00~~ 9:00 a.m. to 3:00 p.m. on Saturday and until 5:00 p.m. on the day immediately preceding a primary, special, or general election unless that day falls on a Saturday or Sunday. Town clerks' offices, and county auditors' offices if the county auditor has agreed to perform those duties on behalf of the town, must be open for absentee voting from 10:00 a.m. to 12:00 noon on the Saturday before a town general election held in March. The school district clerk, when performing the county auditor's election duties, need not comply with this section.

Subd. 3. **Voters in line.** All voters in line at a time when a polling place is scheduled to close must be allowed to vote in the same manner as provided in section 204C.05, subdivision 2.

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

Sec. 51. Minnesota Statutes 2022, section 203B.11, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) Each full-time municipal clerk or school district clerk who has authority under section 203B.05 to administer absentee voting laws ~~shall~~ must designate election judges to deliver absentee ballots in accordance with this section. The county auditor must also designate election judges to perform the duties in this section. A ballot may be delivered only to an eligible voter who is a temporary or permanent resident or patient in one of the following facilities located in the municipality in which the voter maintains residence: a health care facility or, hospital located in the municipality in which the voter maintains residence, or veterans home operated by the board of directors of the Minnesota veterans homes under chapter 198. The ballots ~~shall~~ must be delivered by two election judges, each of whom is affiliated with a different major political party. When the election judges deliver or return ballots as provided in this section, they ~~shall~~ must travel together in the same vehicle. Both election judges ~~shall~~ must be present when an applicant completes the certificate of eligibility and marks the absentee ballots, and may assist an applicant as provided in section 204C.15. The election judges ~~shall~~ must deposit the return envelopes containing the marked absentee ballots in a sealed container and return them to the clerk on the same day that they are delivered and marked.

(b) At the discretion of a full-time municipal clerk, school district clerk, or county auditor, absentee ballots may be delivered in the same manner as prescribed in paragraph (a) to a shelter for battered women as defined in section 611A.37, subdivision 4, or to an assisted living facility licensed under chapter 144G.

Sec. 52. Minnesota Statutes 2022, section 203B.11, subdivision 2, is amended to read:

Subd. 2. ~~Twenty~~ **Thirty-five days before an election.** During the ~~20~~ 35 days preceding an election, the election judges ~~shall~~ must deliver absentee ballots only to an eligible voter who has applied for absentee ballots to the county auditor or municipal clerk under section 203B.04, subdivision 1.

Sec. 53. Minnesota Statutes 2022, section 203B.11, subdivision 4, is amended to read:

Subd. 4. **Agent delivery of ballots.** During the seven days preceding an election and until ~~2:00~~ 8:00 p.m. on election day, an eligible voter who would have difficulty getting to the polls because of incapacitating health reasons, or who is disabled, or who is a patient of a health care facility, a resident of a ~~facility providing an assisted living services governed by~~ facility licensed under chapter 144G, a participant in a residential program for adults licensed under section 245A.02, subdivision 14, or a resident of a shelter for battered women as defined in section 611A.37, subdivision 4, may designate an agent to deliver the ballots to the voter from the county auditor or municipal clerk. An agent must have a preexisting relationship with the voter. A candidate at the election may not be designated as an agent. The voted ballots must be returned to the county auditor or municipal clerk no later than ~~3:00~~ 8:00 p.m. on election day. The voter must complete an affidavit requesting the auditor or clerk to provide the agent with the ballots in a sealed transmittal envelope. The affidavit must include a statement from the voter stating that the ballots were delivered to the voter by the agent in the sealed transmittal envelope. An agent may deliver ballots to no more than three persons in any election. The secretary of state shall provide samples of the affidavit and transmission envelope for use by the county auditors.

Sec. 54. Minnesota Statutes 2022, section 203B.12, subdivision 7, is amended to read:

Subd. 7. **Names of persons; rejected absentee ballots.** ~~(a) The names of voters who have submitted an absentee ballot to the county auditor or municipal clerk that has not been accepted may not be made available for public inspection until the close of voting on election day.~~

~~(b) After the close of voting on election day, the lists must be available to the public in the same manner as public information lists in section 201.091, subdivisions 4, 5, and 9.~~

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

Sec. 55. Minnesota Statutes 2022, section 203B.12, subdivision 8, is amended to read:

Subd. 8. **Names of persons; accepted absentee ballots.** For all elections where use of the statewide voter registration system is required, the secretary of state must maintain ~~a list~~ lists of voters who have submitted absentee ballots that have been accepted, separated by method of ballot delivery. For all other elections, the county auditor or municipal clerk must maintain a list of voters who have submitted absentee ballots that have been accepted. The lists must be available to the public in the same manner as public information lists in section 201.091, subdivisions 4, 5, and 9.

Sec. 56. Minnesota Statutes 2022, section 203B.12, is amended by adding a subdivision to read:

Subd. 11. **Names of persons; early voting.** The secretary of state must maintain a list of voters who cast a ballot using the early voting procedures established in section 203B.30 for all elections at which those procedures are used. The list must be available to the public in the same manner as public information lists in section 201.091, subdivisions 4, 5, and 9.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 57. Minnesota Statutes 2022, section 203B.121, subdivision 1, is amended to read:

Subdivision 1. **Establishment; applicable laws.** (a) The governing body of each county, municipality, and school district with responsibility to accept and reject absentee ballots or to administer early voting must, by ordinance or resolution, establish a ballot board. The board must consist of a sufficient number of election judges appointed as provided in sections 204B.19 to 204B.22. The board may include deputy county auditors or deputy city clerks who have received training in the processing and counting of absentee ballots. Each member of the ballot board must be provided adequate training on the processing and counting of absentee ballots, including but not limited to instruction on accepting and rejecting absentee ballots, storage of absentee ballots, timelines and deadlines, the role of the ballot board, procedures for opening absentee ballot envelopes, procedures for counting absentee ballots, and procedures for reporting absentee ballot totals.

(b) Each jurisdiction must pay a reasonable compensation to each member of that jurisdiction's ballot board for services rendered during an election.

(c) Except as otherwise provided by this section, all provisions of the Minnesota Election Law apply to a ballot board.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 58. Minnesota Statutes 2022, section 203B.121, subdivision 2, is amended to read:

Subd. 2. **Duties of ballot board; absentee ballots.** (a) The members of the ballot board shall take possession of all signature envelopes delivered to them in accordance with section 203B.08. Upon receipt from the county auditor, municipal clerk, or school district clerk, two or more members of the ballot board shall examine each signature envelope and shall mark it accepted or rejected in the manner provided in this subdivision. Election judges performing the duties in this section must be of different major political parties, unless they are exempt from that requirement under section 205.075, subdivision 4, or section 205A.10, subdivision 2.

(b) The members of the ballot board shall mark the signature envelope "Accepted" and initial or sign the signature envelope below the word "Accepted" if a majority of the members of the ballot board examining the envelope are satisfied that:

(1) the voter's name and address on the signature envelope are the same as the information provided on the absentee ballot application;

(2) the voter signed the certification on the envelope;

(3) the voter's Minnesota driver's license, state identification number, or the last four digits of the voter's Social Security number are the same as a number on the voter's absentee ballot application or voter record. If the number does not match, the election judges must compare the signature

provided by the applicant to determine whether the ballots were returned by the same person to whom they were transmitted;

(4) the voter is registered and eligible to vote in the precinct or has included a properly completed voter registration application in the signature envelope;

(5) the certificate has been completed as prescribed in the directions for casting an absentee ballot; and

(6) the voter has not already voted at that election, either in person or, if it is after the close of business on the ~~seventh~~ 19th day before the election, ~~by absentee ballot~~ as provided by section 203B.081.

The signature envelope from accepted ballots must be preserved and returned to the county auditor.

(c)(1) If a majority of the members of the ballot board examining a signature envelope find that an absentee voter has failed to meet one of the requirements provided in paragraph (b), they shall mark the signature envelope "Rejected," initial or sign it below the word "Rejected," list the reason for the rejection on the envelope, and return it to the county auditor. There is no other reason for rejecting an absentee ballot beyond those permitted by this section. Failure to place the ballot within the ~~secrecy~~ ballot envelope before placing it in the outer white envelope is not a reason to reject an absentee ballot.

(2) If an envelope has been rejected at least five days before the election, the envelope must remain sealed and the official in charge of the ballot board shall provide the voter with a replacement absentee ballot and signature envelope in place of the rejected ballot.

(3) If an envelope is rejected within five days of the election, the envelope must remain sealed and the official in charge of the ballot board must attempt to contact the voter by telephone or email to notify the voter that the voter's ballot has been rejected. The official must document the attempts made to contact the voter.

(d) The official in charge of the absentee ballot board must mail the voter a written notice of absentee ballot rejection between six and ten weeks following the election. If the official determines that the voter has otherwise cast a ballot in the election, no notice is required. If an absentee ballot arrives after the deadline for submission provided by this chapter, the notice must be provided between six to ten weeks after receipt of the ballot. A notice of absentee ballot rejection must contain the following information:

(1) the date on which the absentee ballot was rejected or, if the ballot was received after the required deadline for submission, the date on which the ballot was received;

(2) the reason for rejection; and

(3) the name of the appropriate election official to whom the voter may direct further questions, along with appropriate contact information.

(e) An absentee ballot signature envelope marked "Rejected" may not be opened or subject to further review except in an election contest filed pursuant to chapter 209.

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

Sec. 59. Minnesota Statutes 2022, section 203B.121, subdivision 3, is amended to read:

Subd. 3. **Record of voting.** (a) When applicable, the county auditor or municipal clerk must immediately record that a voter's absentee ballot has been accepted. After the close of business on the ~~seventh~~ 19th day before the election, a voter whose record indicates that an absentee ballot has been accepted must not be permitted to cast another ballot at that election. In a state primary, general, or state special election for federal ~~or~~, state, or county office, the auditor or clerk must also record this information in the statewide voter registration system.

(b) The roster must be marked, and a supplemental report of absentee voters who submitted a voter registration application with their ballot must be created, no later than the start of voting on election day to indicate the voters that have already cast a ballot at the election. The roster may be marked either:

- (1) by the county auditor or municipal clerk before election day;
- (2) by the ballot board before election day; or
- (3) by the election judges at the polling place on election day.

~~The record of a voter whose absentee ballot was received after the close of business on the seventh day before the election is not required to be marked on the roster or contained in a supplemental report as required by this paragraph.~~

EFFECTIVE DATE. The amendment to paragraph (a) is effective June 1, 2023. The amendment to paragraph (b) is effective the day following final enactment.

Sec. 60. Minnesota Statutes 2022, section 203B.121, subdivision 3, is amended to read:

Subd. 3. **Record of voting.** (a) When applicable, the county auditor or municipal clerk must immediately record that a voter's absentee ballot has been accepted or that the voter has cast a ballot pursuant to the early voting procedures provided in this chapter. After the close of business on the ~~seventh~~ 19th day before the election, a voter whose record indicates that an absentee ballot has been accepted or that the voter has cast an early ballot must not be permitted to cast another ballot at that election. In a state primary, general, or state special election for federal ~~or~~, state, or county office, the auditor or clerk must also record this information in the statewide voter registration system.

(b) The roster must be marked, and a supplemental report of absentee and early voters who submitted a voter registration application with their ballot must be created, no later than the start of voting on election day to indicate the voters that have already cast a ballot at the election. The roster may be marked either:

- (1) by the county auditor or municipal clerk before election day;
- (2) by the ballot board before election day; or

(3) by the election judges at the polling place on election day.

~~The record of a voter whose absentee ballot was received after the close of business on the seventh day before the election is not required to be marked on the roster or contained in a supplemental report as required by this paragraph.~~

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 61. Minnesota Statutes 2022, section 203B.121, subdivision 4, is amended to read:

Subd. 4. **Opening of envelopes.** After the close of business on the ~~seventh~~ 19th day before the election, the ballots from secrecy envelopes within the signature envelopes marked "Accepted" may be opened, duplicated as needed in the manner provided in section 206.86, subdivision 5, initialed by the members of the ballot board, and deposited in the appropriate ballot box. If more than one voted ballot is enclosed in the ballot envelope, the ballots must be returned in the manner provided by section 204C.25 for return of spoiled ballots, and may not be counted.

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

Sec. 62. Minnesota Statutes 2022, section 203B.16, subdivision 2, is amended to read:

Subd. 2. **Indefinite residence outside United States.** Sections 203B.16 to 203B.27 provide the exclusive voting procedure for United States citizens who are living indefinitely outside the territorial limits of the United States who meet all the qualifications of an eligible voter except residence in Minnesota, but who are authorized by federal law to vote in Minnesota because they or, if they have never ~~resided~~ maintained residence in the United States, a parent maintained residence in Minnesota for at least 20 days immediately prior to their departure from the United States. Individuals described in this subdivision shall be permitted to vote only for the offices of president, vice-president, senator in Congress, and representative in Congress.

Sec. 63. Minnesota Statutes 2022, section 203B.21, subdivision 1, is amended to read:

Subdivision 1. **Form.** Absentee ballots under sections 203B.16 to 203B.27 shall conform to the requirements of the Minnesota Election Law, except that modifications in the size or form of ballots or envelopes may be made if necessary to satisfy the requirements of the United States postal service. The return envelope must be designed in one of the following ways:

(1) it must be of sufficient size to contain ~~an additional~~ a signature envelope that when and when the return envelope is sealed, it conceals the signature, identification, and other information; or

(2) it must be the signature envelope and provide an additional flap that when sealed, conceals the signature, identification, and other information.

The flap or the ~~additional~~ return envelope must be perforated to permit election officials to inspect the returned certificate for completeness or to ascertain other information at any time after receiving the returned ballot without opening the ~~return~~ signature envelope.

Sec. 64. Minnesota Statutes 2022, section 203B.21, subdivision 3, is amended to read:

Subd. 3. **Back of ~~return~~ signature envelope.** On the back of the ~~return~~ signature envelope a certificate shall appear with space for:

- (1) the voter's address of present or former residence in Minnesota;
- (2) the voter's current email address, if the voter has one;
- (3) a statement indicating the category described in section 203B.16 to which the voter belongs;
- (4) a statement that the voter has not cast and will not cast another absentee ballot in the same election or elections;
- (5) a statement that the voter personally marked the ballots without showing them to anyone, or if physically unable to mark them, that the voter directed another individual to mark them; and
- (6) the same voter's passport number, Minnesota driver's license or state identification card number, or the last four digits of the voter's Social Security number as provided on the absentee ballot application; if the voter does not have access to any of these documents, the voter may attest to the truthfulness of the contents of the certificate under penalty of perjury.

The certificate shall also contain a signed oath in the form required by section 705 of the Help America Vote Act, Public Law 107-252, which must read:

"I swear or affirm, under penalty of perjury, that:

I am a member of the uniformed services or merchant marine on active duty or an eligible spouse or dependent of such a member; a United States citizen temporarily residing outside the United States; or other United States citizen residing outside the United States; and I am a United States citizen, at least 18 years of age (or will be by the date of the election), and I am eligible to vote in the requested jurisdiction; I have not been convicted of a felony, or other disqualifying offense, or been adjudicated mentally incompetent, or, if so, my voting rights have been reinstated; and I am not registering, requesting a ballot, or voting in any other jurisdiction in the United States except the jurisdiction cited in this voting form. In voting, I have marked and sealed my ballot in private and have not allowed any person to observe the marking of the ballot, except for those authorized to assist voters under state or federal law. I have not been influenced.

The information on this form is true, accurate, and complete to the best of my knowledge. I understand that a material misstatement of fact in completion of this document may constitute grounds for a conviction for perjury."

Sec. 65. Minnesota Statutes 2022, section 203B.23, subdivision 2, is amended to read:

Subd. 2. **Duties.** (a) The absentee ballot board must examine all returned absentee ballot envelopes for ballots issued under sections 203B.16 to 203B.27 and accept or reject the absentee ballots in the manner provided in section 203B.24. If the certificate of voter eligibility is not printed on the ~~return or administrative~~ signature envelope, the certificate must be attached to the ballot ~~secrecy~~ envelope.

(b) The absentee ballot board must immediately examine the ~~return~~ signature envelopes or certificates of voter eligibility that are attached to the ballot envelopes and mark them "accepted"

or "rejected" during the 45 days before the election. If an envelope has been rejected at least five days before the election, the ballots in the envelope must be considered spoiled ballots and the official in charge of the absentee ballot board must provide the voter with a replacement absentee ballot and ~~return envelope~~ envelopes in place of the spoiled ballot.

(c) If a county has delegated the responsibility for administering absentee balloting to a municipality under section 203B.05, accepted absentee ballots must be delivered to the appropriate municipality's absentee ballot board. The absentee ballot board with the authority to open and count the ballots must do so in accordance with section 203B.121, subdivisions 4 and 5.

Sec. 66. Minnesota Statutes 2022, section 203B.24, subdivision 1, is amended to read:

Subdivision 1. **Check of voter eligibility; proper execution of certificate.** Upon receipt of an absentee ballot returned as provided in sections 203B.16 to 203B.27, the election judges shall compare the voter's name with the names recorded under section 203B.19 in the statewide registration system to insure that the ballot is from a voter eligible to cast an absentee ballot under sections 203B.16 to 203B.27. The election judges shall mark the signature envelope "Accepted" and initial or sign the signature envelope below the word "Accepted" if the election judges are satisfied that:

(1) the voter's name and address on the signature envelope appears in substantially the same form as on the application records provided to the election judges by the county auditor;

(2) the voter has signed the federal oath prescribed pursuant to section 705(b)(2) of the Help America Vote Act, Public Law 107-252;

(3) the voter has set forth the same voter's passport number, or Minnesota driver's license or state identification card number, or the last four digits of the voter's Social Security number as submitted on the application, if the voter has one of these documents;

(4) the voter is not known to have died; and

(5) the voter has not already voted at that election, either in person or by absentee ballot.

If the identification number described in clause (3) does not match the number as submitted on the application, the election judges must make a reasonable effort to satisfy themselves through other information provided by the applicant, or by an individual authorized to apply on behalf of the voter, that the ballots were returned by the same person to whom the ballots were transmitted.

An absentee ballot cast pursuant to sections 203B.16 to 203B.27 may only be rejected for the lack of one of clauses (1) to (5). In particular, failure to place the ballot within the ~~secrecy~~ ballot envelope before placing it in the ~~outer white~~ signature envelope is not a reason to reject an absentee ballot.

Election judges must note the reason for rejection on the back of the envelope in the space provided for that purpose.

Failure to return unused ballots shall not invalidate a marked ballot, but a ballot shall not be counted if the certificate on the ~~return~~ signature envelope is not properly executed. In all other respects the provisions of the Minnesota Election Law governing deposit and counting of ballots

shall apply. Notwithstanding other provisions of this section, the counting of the absentee ballot of a deceased voter does not invalidate the election.

Sec. 67. [203B.29] TRANSMISSION OF BALLOTS UNDER CERTAIN CIRCUMSTANCES.

Subdivision 1. **Emergency response providers.** Any eligible Minnesota voter who is a trained or certified emergency response provider or utility worker who is deployed in response to any state of emergency declared by the President of the United States or any governor of any state within the United States during the time period authorized by law for absentee voting or on election day may request that ballots, instructions, and a certificate of voter eligibility be transmitted to the voter electronically. Upon receipt of a properly completed application requesting electronic transmission, the county auditor must electronically transmit the requested materials to the voter. The county auditor is not required to provide return postage to voters to whom ballots are transmitted electronically.

Subd. 2. **Reasonable accommodation for voter with disability.** Any eligible Minnesota voter with a print disability, including any voter with disabilities that interfere with the effective reading, writing, or use of printed materials, may request that ballots, instructions, and a certificate of voter eligibility be transmitted to the voter electronically in an accessible format that meets Election Assistance Commission minimum accessibility requirements. Upon receipt of a properly completed application requesting electronic transmission, the county auditor shall electronically transmit the requested materials to the voter. The county auditor must also mail the voter materials required under section 203B.07.

Subd. 3. **Returning voted ballots.** A voter receiving a ballot electronically under subdivision 1 or 2 must print and return the voter's voted ballot and the certificate of voter eligibility to the county auditor in a sealed envelope. A voter must not return the ballot or certificate of voter eligibility electronically. A ballot that is returned electronically must be rejected and must not be counted.

Sec. 68. [203B.30] PROCEDURES FOR EARLY VOTING.

Subdivision 1. **Definition.** For purposes of this section, "early voting official" means the county auditor, city clerk, a deputy of the auditor or clerk, or an election judge.

Subd. 2. **Voting procedure.** (a) When a voter appears in an early voting polling place, the voter must state the voter's name, address, and, if requested, the voter's date of birth to the early voting official. The early voting official must confirm that the voter's registration is current in the statewide voter registration system and that the voter has not already cast a ballot in the election. If the voter's status is challenged, the voter may resolve the challenge as provided in section 204C.12. An individual who is not registered to vote or whose name or address has changed must register in the manner provided in section 201.061, subdivision 3. A voter who has already cast a ballot in the election must not be provided with a ballot.

(b) Each voter must sign the certification provided in section 204C.10. The signature of an individual on the voter's certificate and the issuance of a ballot to the individual is evidence of the intent of the individual to vote at that election. After the voter signs the certification, two early voting officials must initial the ballot and issue it to the voter. The voter must immediately retire to a voting station or other designated location in the polling place to mark the ballot. The voter must not take

a ballot from the polling place. If the voter spoils the ballot, the voter may return it to the early voting official in exchange for a new ballot. After completing the ballot, the voter must deposit the ballot into the ballot counter and ballot box. The early voting official must immediately record that the voter has voted in the manner provided in section 203B.121, subdivision 3.

Subd. 3. **Processing of ballots.** The early voting officials must remove and secure ballots cast during the early voting period following the procedures in section 203B.121, subdivision 5, paragraph (a). The absentee ballot board must count the ballots after the polls have closed on election day following the procedures in section 203B.121, subdivision 5, paragraph (b).

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 69. Minnesota Statutes 2022, section 204B.06, subdivision 1, is amended to read:

Subdivision 1. **Form of affidavit.** An affidavit of candidacy shall state the name of the office sought and, except as provided in subdivision 4, shall state that the candidate:

(1) is an eligible voter;

(2) has no other affidavit on file as a candidate for any office at the same primary or next ensuing general election, ~~except that a candidate for soil and water conservation district supervisor in a district not located in whole or in part in Anoka, Hennepin, Ramsey, or Washington County, may also have on file an affidavit of candidacy for mayor or council member of a statutory or home rule charter city of not more than 2,500 population contained in whole or in part in the soil and water conservation district or for town supervisor in a town of not more than 2,500 population contained in whole or in part in the soil and water conservation district as authorized by subdivision 9; and~~

(3) is, or will be on assuming the office, 21 years of age or more, and will have maintained residence in the district from which the candidate seeks election for 30 days before the general election.

An affidavit of candidacy must include a statement that the candidate's name as written on the affidavit for ballot designation is the candidate's true name or the name by which the candidate is commonly and generally known in the community.

An affidavit of candidacy for partisan office shall also state the name of the candidate's political party or political principle, stated in three words or less.

Sec. 70. Minnesota Statutes 2022, section 204B.06, subdivision 1b, is amended to read:

Subd. 1b. **Address, electronic mail address, and telephone number.** (a) An affidavit of candidacy must state a telephone number where the candidate can be contacted. An affidavit must also state the candidate's or campaign's nongovernment issued electronic mail address or an attestation that the candidate and the candidate's campaign do not possess an electronic mail address. An affidavit must also state the candidate's address of residence as determined under section 200.031, or at the candidate's request in accordance with paragraph (c), the candidate's campaign contact address. The form for the affidavit of candidacy must allow the candidate to request, if eligible, that

the candidate's address of residence be classified as private data, and to provide the certification required under paragraph (c) for classification of that address.

(b) If an affidavit for an office where a residency requirement must be satisfied by the close of the filing period is filed as provided by paragraph (c), the filing officer must, within one business day of receiving the filing, determine whether the address provided in the affidavit of candidacy is within the area represented by the office the candidate is seeking. For all other candidates who filed for an office whose residency requirement must be satisfied by the close of the filing period, a registered voter in this state may request in writing that the filing officer receiving the affidavit of candidacy review the address as provided in this paragraph, at any time up to one day after the last day for filing for office. If requested, the filing officer must determine whether the address provided in the affidavit of candidacy is within the area represented by the office the candidate is seeking. If the filing officer determines that the address is not within the area represented by the office, the filing officer must immediately notify the candidate and the candidate's name must be removed from the ballot for that office. A determination made by a filing officer under this paragraph is subject to judicial review under section 204B.44.

(c) If the candidate requests that the candidate's address of residence be classified as private data, the candidate must list the candidate's address of residence on a separate form to be attached to the affidavit. The candidate must also certify on the affidavit that either: (1) a police report has been submitted ~~or~~, an order for protection has been issued, or the candidate has a reasonable fear in regard to the safety of the candidate or the candidate's family; ~~or that~~ (2) the candidate's address is otherwise private pursuant to Minnesota law. The address of residence provided by a candidate who makes a request for classification on the candidate's affidavit of candidacy and provides the certification required by this paragraph is classified as private data, as defined in section 13.02, subdivision 12, but may be reviewed by the filing officer as provided in this subdivision.

(d) The requirements of this subdivision do not apply to affidavits of candidacy for a candidate for: (1) judicial office; (2) the office of county attorney; or (3) county sheriff.

Sec. 71. Minnesota Statutes 2022, section 204B.06, subdivision 4a, is amended to read:

Subd. 4a. **State and local offices.** Candidates who seek nomination for the following offices shall state the following additional information on the affidavit:

(1) for governor or lieutenant governor, that on the first Monday of the next January the candidate will be 25 years of age or older and, on the day of the state general election, a resident of Minnesota for not less than one year;

(2) for supreme court justice, court of appeals judge, or district court judge, that the candidate is learned in the law and will not turn 70 years of age before the first Monday in January of the following year;

(3) for county, municipal, school district, or special district office, that the candidate meets any other qualifications for that office prescribed by law;

(4) for senator or representative in the legislature, that on the day of the general or special election to fill the office the candidate will have ~~resided~~ maintained residence not less than one year

in the state and not less than six months in the legislative district from which the candidate seeks election.

Sec. 72. Minnesota Statutes 2022, section 204B.06, is amended by adding a subdivision to read:

Subd. 9. Multiple affidavits of candidacy. Notwithstanding subdivision 1, clause (2):

(1) a candidate for soil and water conservation district supervisor in a district not located in whole or in part in Anoka, Hennepin, Ramsey, or Washington County may also have on file an affidavit of candidacy for:

(i) mayor or council member of a statutory or home rule charter city of not more than 2,500 population contained in whole or in part in the soil and water conservation district; or

(ii) town supervisor in a town of not more than 2,500 population contained in whole or in part in the soil and water conservation district; and

(2) a candidate for school board member may also have on file an affidavit of candidacy for town board supervisor, unless that town board is exercising the powers of a statutory city under section 368.01 or an applicable special law.

Sec. 73. Minnesota Statutes 2022, section 204B.071, is amended to read:

204B.071 PETITIONS; RULES OF SECRETARY OF STATE.

(a) The secretary of state shall adopt rules governing the manner in which petitions required for any election in this state are circulated, signed, filed, and inspected. The secretary of state shall provide samples of petition forms for use by election officials.

(b) A petition must not be rejected solely because the petition is on paper that is smaller than 8-1/2 inches wide and 14 inches long.

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

Sec. 74. Minnesota Statutes 2022, section 204B.09, subdivision 1, is amended to read:

Subdivision 1. **Candidates in state and county general elections.** (a) Except as otherwise provided by this subdivision, affidavits of candidacy and nominating petitions for county, state, and federal offices filled at the state general election shall be filed not more than 84 days nor less than 70 days before the state primary. The affidavit may be prepared and signed at any time between 60 days before the filing period opens and the last day of the filing period.

(b) Notwithstanding other law to the contrary, the affidavit of candidacy must be signed in the presence of a notarial officer or an individual authorized to administer oaths under section 358.10.

(c) This provision does not apply to candidates for presidential elector nominated by major political parties. Major party candidates for presidential elector are certified under section 208.03. Other candidates for presidential electors may file petitions at least 77 days before the general election day pursuant to section 204B.07. Nominating petitions to fill vacancies in nominations shall

be filed as provided in section 204B.13. No affidavit or petition shall be accepted later than 5:00 p.m. on the last day for filing.

(d) Affidavits and petitions for county offices must be filed with the county auditor of that county. Affidavits and petitions for federal offices must be filed with the secretary of state. Affidavits and petitions for state offices must be filed with the secretary of state or with the county auditor of the county in which the candidate ~~resides~~ maintains residence.

(e) Affidavits other than those filed pursuant to subdivision 1a must be submitted by mail or by hand, notwithstanding chapter 325L, or any other law to the contrary and must be received by 5:00 p.m. on the last day for filing.

Sec. 75. Minnesota Statutes 2022, section 204B.09, subdivision 3, is amended to read:

Subd. 3. **Write-in candidates.** (a) A candidate for county, state, or federal office who wants write-in votes for the candidate to be counted must file a written request with the filing office for the office sought not more than 84 days before the primary and no later than the seventh day before the general election. The filing officer shall provide copies of the form to make the request. The filing officer shall not accept a written request later than 5:00 p.m. on the last day for filing a written request.

(b) The governing body of a statutory or home rule charter city may adopt a resolution governing the counting of write-in votes for local elective office. The resolution may:

(1) require the candidate to file a written request with the chief election official no later than the seventh day before the city election if the candidate wants to have the candidate's write-in votes individually recorded; or

(2) require that write-in votes for an individual candidate only be individually recorded if the total number of write-in votes for that office is equal to or greater than the fewest number of non-write-in votes for a ballot candidate.

If the governing body of the statutory or home rule charter city adopts a resolution authorized by this paragraph, the resolution must be adopted before the first day of filing for office. A resolution adopted under this paragraph remains in effect until a subsequent resolution on the same subject is adopted by the governing body of the statutory or home rule charter city.

(c) The governing body of a township, school board, hospital district, park district, soil and water district, or other ancillary elected district may adopt a resolution governing the counting of write-in votes for local elective office. The resolution may require that write-in votes for an individual candidate only be individually recorded if the total number of write-in votes for that office is equal to or greater than the fewest number of non-write-in votes for a ballot candidate.

~~(b)~~ (d) A candidate for president of the United States who files a request under this subdivision must file jointly with another individual seeking nomination as a candidate for vice president of the United States. A candidate for vice president of the United States who files a request under this subdivision must file jointly with another individual seeking nomination as include the name of a candidate for vice president of the United States. The request must also include the name of at least one candidate for presidential elector. The total number of names of candidates for presidential

elector on the request may not exceed the total number of electoral votes to be cast by Minnesota in the presidential election.

~~(e)~~ (e) A candidate for governor who files a request under this subdivision must file jointly with another individual seeking nomination as a candidate for lieutenant governor. A candidate for lieutenant governor who files a request under this subdivision must file jointly with another individual seeking nomination as a candidate for governor.

Sec. 76. Minnesota Statutes 2022, section 204B.13, is amended by adding a subdivision to read:

Subd. 6a. **Candidates for federal office.** This section does not apply to a vacancy in nomination for a federal office.

Sec. 77. Minnesota Statutes 2022, section 204B.14, subdivision 2, is amended to read:

Subd. 2. **Separate precincts; combined polling place.** (a) The following shall constitute at least one election precinct:

- (1) each city ward; and
- (2) each town and each statutory city.

(b) A single, accessible, combined polling place may be established no later than November 1 if a presidential nomination primary is scheduled to occur in the following year or May 1 of any other year:

- (1) for any city of the third or fourth class, any town, or any city having territory in more than one county, in which all the voters of the city or town shall cast their ballots;
- (2) for contiguous precincts in the same municipality;
- (3) for up to four contiguous municipalities located entirely outside the metropolitan area, as defined by section 200.02, subdivision 24, that are contained in the same county; or
- (4) for noncontiguous precincts located in one or more counties.

Subject to the requirements of paragraph (c), a single, accessible, combined polling place may be established after May 1 of any year in the event of an emergency.

A copy of the ordinance or resolution establishing a combined polling place must be filed with the county auditor within 30 days after approval by the governing body, and the county auditor must provide notice within ten days to the secretary of state, in a manner and including information prescribed by the secretary of state. A polling place combined under clause (3) must be approved by the governing body of each participating municipality. A polling place combined under clause (4) must be approved by the governing body of each participating municipality and the secretary of state and may be located outside any of the noncontiguous precincts. A municipality withdrawing from participation in a combined polling place must do so by filing a resolution of withdrawal with the county auditor no later than October 1 if a presidential nomination primary is scheduled to occur in the following year or April 1 of any other year, and the county auditor must provide notice within

ten days to the secretary of state, in a manner and including information prescribed by the secretary of state.

The secretary of state shall provide a separate polling place roster for each precinct served by the combined polling place, except that in a precinct that uses electronic rosters the secretary of state shall provide separate data files for each precinct. A single set of election judges may be appointed to serve at a combined polling place. The number of election judges required must be based on the total number of persons voting at the last similar election in all precincts to be voting at the combined polling place. Separate ballot boxes must be provided for the ballots from each precinct. The results of the election must be reported separately for each precinct served by the combined polling place, except in a polling place established under clause (2) where one of the precincts has fewer than ten registered voters, in which case the results of that precinct must be reported in the manner specified by the secretary of state.

(c) If a local elections official determines that an emergency situation preventing the safe, secure, and full operation of a polling place on election day has occurred or is imminent, the local elections official may combine two or more polling places for that election pursuant to this subdivision. To the extent possible, the polling places must be combined and the election conducted according to the requirements of paragraph (b), except that:

(1) polling places may be combined after May 1 and until the polls close on election day;

(2) any city or town, regardless of size or location, may establish a combined polling place under this paragraph;

(3) the governing body is not required to adopt an ordinance or resolution to establish the combined polling place;

(4) a polling place combined under paragraph (b), clause (3) or (4), must be approved by the local election official of each participating municipality;

(5) the local elections official must immediately notify the county auditor and the secretary of state of the combination, including the reason for the emergency combination and the location of the combined polling place. As soon as possible, the local elections official must also post a notice stating the reason for the combination and the location of the combined polling place. The notice must also be posted on the governing board's website, if one exists. The local elections official must also notify the election judges and request that local media outlets publicly announce the reason for the combination and the location of the combined polling place; and

(6) on election day, the local elections official must post a notice in large print in a conspicuous place at the polling place where the emergency occurred, if practical, stating the location of the combined polling place. The local election official must also post the notice, if practical, in a location visible by voters who vote from their motor vehicles as provided in section 204C.15, subdivision 2. If polling place hours are extended pursuant to section 204C.05, subdivision 2, paragraph (b), the posted notices required by this paragraph must include a statement that the polling place hours at the combined polling place will be extended until the specified time.

Sec. 78. Minnesota Statutes 2022, section 204B.16, subdivision 1, is amended to read:

Subdivision 1. **Authority; location.** (a) By December 31 of each year, the governing body of each municipality and of each county with precincts in unorganized territory must designate by ordinance or resolution ~~a polling place for each election precinct. The polling places designated in the ordinance or resolution are the polling places for the following calendar year, unless a change is made:~~ any changes to a polling place location. A polling place must be maintained for the following calendar year unless changed:

(1) by ordinance or resolution by December 31 of the previous year;

~~(2)~~ (2) pursuant to section 204B.175;

~~(3)~~ (3) because a polling place has become unavailable;

~~(4)~~ (4) because a township designates one location for all state, county, and federal elections and one location for all township only elections; and

~~(5)~~ (5) pursuant to section 204B.14, subdivision 3.

(b) Polling places must be designated and ballots must be distributed so that no one is required to go to more than one polling place to vote in a school district and municipal election held on the same day. The polling place for a precinct in a city or in a school district located in whole or in part in the metropolitan area defined by section 200.02, subdivision 24, shall be located within the boundaries of the precinct or within one mile of one of those boundaries unless a single polling place is designated for a city pursuant to section 204B.14, subdivision 2, or a school district pursuant to section 205A.11. The polling place for a precinct in unorganized territory may be located outside the precinct at a place which is convenient to the voters of the precinct. If no suitable place is available within a town or within a school district located outside the metropolitan area defined by section 200.02, subdivision 24, then the polling place for a town or school district may be located outside the town or school district within five miles of one of the boundaries of the town or school district.

Sec. 79. Minnesota Statutes 2022, section 204B.19, subdivision 6, is amended to read:

Subd. 6. ~~High school students~~ **Trainee election judges.** (a) Notwithstanding any other requirements of this section, a student enrolled in a high school in Minnesota or who is in a home school in compliance with sections 120A.22 and 120A.24, who has attained the age of 16 is eligible to be appointed as a without party affiliation trainee election judge in the county in which the student ~~resides~~ maintains residence, or a county adjacent to the county in which the student ~~resides~~ maintains residence. The student must meet qualifications for trainee election judges specified in rules of the secretary of state. A student appointed under this subdivision while enrolled in a high school or receiving instruction in a home school may continue to serve as a trainee election judge after the student graduates and until the student reaches the age of 18.

(b) A student appointed as a trainee election judge may be excused from school attendance during the hours that the student is serving as a trainee election judge if the student submits a written request signed and approved by the student's parent or guardian to be absent from school and a certificate from the appointing authority stating the hours during which the student will serve as a trainee election judge to the principal of the school at least ten days prior to the election. ~~Students shall not serve as~~ A trainee election judges judge shall not serve after 10:00 p.m. Notwithstanding section 177.24 to the contrary, trainee election judges may be paid not less than two-thirds of the

minimum wage for a large employer. The principal of the school may approve a request to be absent from school conditioned on acceptable academic performance at the time of service as a trainee election judge.

Sec. 80. Minnesota Statutes 2022, section 204B.21, subdivision 2, is amended to read:

Subd. 2. **Appointing authority; powers and duties.** Election judges for precincts in a municipality shall be appointed by the governing body of the municipality. Election judges for precincts in unorganized territory and for performing election-related duties assigned by the county auditor shall be appointed by the county board. Election judges for a precinct composed of two or more municipalities must be appointed by the governing body of the municipality or municipalities responsible for appointing election judges as provided in the agreement to combine for election purposes. Except as otherwise provided in this section, appointments shall be made from the list of voters who ~~reside~~ maintain residence in each precinct, furnished pursuant to subdivision 1, subject to the eligibility requirements and other qualifications established or authorized under section 204B.19. At least two election judges in each precinct must be affiliated with different major political parties. If no lists have been furnished or if additional election judges are required after all listed names in that municipality have been exhausted, the appointing authority may appoint other individuals who meet the qualifications to serve as an election judge, including persons on the list furnished pursuant to subdivision 1 who indicated a willingness to travel to the municipality, and persons who are not affiliated with a major political party. An individual who is appointed from a source other than the list furnished pursuant to subdivision 1 must provide to the appointing authority the individual's major political party affiliation or a statement that the individual does not affiliate with any major political party. An individual who refuses to provide the individual's major political party affiliation or a statement that the individual does not affiliate with a major political party must not be appointed as an election judge. The appointments shall be made at least 25 days before the election at which the election judges will serve, except that the appointing authority may pass a resolution authorizing the appointment of additional election judges within the 25 days before the election if the appointing authority determines that additional election judges will be required.

Sec. 81. Minnesota Statutes 2022, section 204B.26, is amended to read:

204B.26 ELECTION JUDGES; VIOLATIONS; PENALTIES.

A county auditor or municipal clerk may remove any precinct election official at any time if the official engages in a neglect of duty, malfeasance, misconduct in office, or for other cause. Any individual who serves as an election judge in violation of any of the provisions of sections 204B.19 to 204B.25, is guilty of a misdemeanor.

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

Sec. 82. Minnesota Statutes 2022, section 204B.28, subdivision 2, is amended to read:

Subd. 2. **Election supplies; duties of county auditors and clerks.** (a) Except as otherwise provided in this section and for absentee ballots in section 204B.35, subdivision 4, the county auditor shall complete the preparation of the election materials for which the auditor is responsible at least four days before every state primary and state general election. At any time after all election materials are available from the county auditor but not later than four days before the election each municipal clerk shall secure from the county auditor:

- (a) (1) the forms that are required for the conduct of the election;
- (b) (2) any printed voter instruction materials furnished by the secretary of state;
- (c) (3) any other instructions for election officers; and

(d) (4) a sufficient quantity of the official ballots, registration files, envelopes for ballot returns, and other supplies and materials required for each precinct in order to comply with the provisions of the Minnesota Election Law. The county auditor may furnish the election supplies to the municipal clerks in the same manner as the supplies are furnished to precincts in unorganized territory pursuant to section 204B.29, subdivision 1.

(b) The county auditor must prepare and make available election materials for early voting to municipal clerks designated to administer early voting under section 203B.05 on or before the 19th day before the election.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 83. Minnesota Statutes 2022, section 204B.32, subdivision 2, is amended to read:

Subd. 2. **Allocation of election expenses.** The secretary of state shall develop procedures for the allocation of election expenses among counties, municipalities, and school districts for elections that are held concurrently. The following expenses must be included in the procedures: salaries of election judges; postage for absentee ballots and applications; preparation of polling places; preparation and testing of electronic voting systems; ballot preparation; publication of election notices ~~and sample ballots, including the notice required by section 204D.16;~~ transportation of ballots and election supplies; and compensation for administrative expenses of the county auditor, municipal clerk, or school district clerk.

EFFECTIVE DATE. This section is effective December 1, 2023, or upon the secretary of state's approval of the notice required by Minnesota Statutes, section 204D.16, paragraph (b), whichever is earlier. The secretary of state must notify the revisor of statutes of the approval date.

Sec. 84. Minnesota Statutes 2022, section 204B.35, is amended by adding a subdivision to read:

Subd. 6. **Electronic voting systems.** Notwithstanding sections 204B.35 to 204B.44 and chapter 204D, a jurisdiction may prepare blank paper ballots, if the jurisdiction employs an electronic voting system and the required information is instead displayed on a touch screen or other electronic device in a format that substantially meets the requirements of law.

Sec. 85. Minnesota Statutes 2022, section 204B.45, subdivision 1, is amended to read:

Subdivision 1. **Authorization.** A town of any size ~~not located in a metropolitan county as defined by section 473.121,~~ or a city having fewer than 400 registered voters on June 1 of an election year ~~and not located in a metropolitan county as defined by section 473.121,~~ may provide balloting by mail at any municipal, county, or state election with no polling place other than the office of the auditor or clerk or other locations designated by the auditor or clerk. The governing body may apply

to the county auditor for permission to conduct balloting by mail. The county board may provide for balloting by mail in unorganized territory. The governing body of any municipality may designate for mail balloting any precinct having fewer than 100 registered voters, subject to the approval of the county auditor.

Voted ballots may be returned in person to any location designated by the county auditor or municipal clerk.

Sec. 86. Minnesota Statutes 2022, section 204B.45, subdivision 2, is amended to read:

Subd. 2. **Procedure; voting prior to election day.** Notice of the election and the special mail procedure must be given at least ten weeks prior to the election. Not more than 46 days nor later than 14 days before a regularly scheduled election and not more than 30 days nor later than 14 days before any other election, the auditor shall mail ballots by nonforwardable mail to all voters registered in the city, town, or unorganized territory. No later than 14 days before the election, the auditor must make a subsequent mailing of ballots to those voters who register to vote after the initial mailing but before the 20th day before the election. Eligible voters not registered at the time the ballots are mailed may apply for ballots as provided in chapter 203B. Ballot return envelopes, with return postage provided, must be preaddressed to the auditor or clerk and the voter may return the ballot by mail or in person to the office of the auditor or clerk. The auditor or clerk must appoint a ballot board to examine the mail and absentee ballot return envelopes and mark them "accepted" or "rejected" within three days of receipt if there are 14 or fewer days before election day, or within five days of receipt if there are more than 14 days before election day. The board may consist of deputy county auditors or deputy municipal clerks who have received training in the processing and counting of mail ballots, who need not be affiliated with a major political party. Election judges performing the duties in this section must be of different major political parties, unless they are exempt from that requirement under section 205.075, subdivision 4, or section 205A.10. If an envelope has been rejected at least five days before the election, the ballots in the envelope must remain sealed and the auditor or clerk shall provide the voter with a replacement ballot and return envelope in place of the spoiled ballot. If the ballot is rejected within five days of the election, the envelope must remain sealed and the official in charge of the ballot board must attempt to contact the voter by telephone or email to notify the voter that the voter's ballot has been rejected. The official must document the attempts made to contact the voter.

If the ballot is accepted, the county auditor or municipal clerk must mark the roster to indicate that the voter has already cast a ballot in that election. After the close of business on the ~~seventh~~ 19th day before the election, the ballots from return envelopes marked "Accepted" may be opened, duplicated as needed in the manner provided by section 206.86, subdivision 5, initialed by the members of the ballot board, and deposited in the ballot box.

In all other respects, the provisions of the Minnesota Election Law governing deposit and counting of ballots apply.

The mail and absentee ballots for a precinct must be counted together and reported as one vote total. No vote totals from mail or absentee ballots may be made public before the close of voting on election day.

The costs of the mailing shall be paid by the election jurisdiction in which the voter ~~resides~~ maintains residence. Any ballot received by 8:00 p.m. on the day of the election must be counted.

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

Sec. 87. Minnesota Statutes 2022, section 204B.45, is amended by adding a subdivision to read:

Subd. 2a. Procedure; voting on election day. (a) The county auditor may make available a ballot counter and ballot box for use during voting hours on election day by the voters voting under this section. If a ballot counter and ballot box is provided on election day, a voter must be given the option to either:

(1) vote using the procedures provided in subdivision 2; or

(2) vote in the manner provided in this subdivision.

(b) When a voter appears in the designated polling place, the voter must state the voter's name, address, and, if requested, the voter's date of birth to the mail ballot voting official. The mail ballot voting official must confirm that the voter's registration is current in the statewide voter registration system and that the voter has not already cast a ballot in the election. If the voter's status is challenged, the voter may resolve the challenge as provided in section 204C.12. An individual who is not registered to vote or whose name or address has changed must register in the manner provided in section 201.061, subdivision 3. A voter who has already cast a ballot in the election must not be provided with a ballot.

(c) Each voter must sign the certification provided in section 204C.10. The signature of an individual on the voter's certificate and the issuance of a ballot to the individual is evidence of the intent of the individual to vote at that election. After signing the voter certification, two mail ballot voting officials must initial the ballot and issue it to the voter, and the voter must immediately retire to a voting station or other designated location in the polling place to mark the ballot. The voter must not take the ballot from the polling place. If the voter spoils the ballot, the voter may return it to the mail ballot voting official in exchange for a new ballot. After completing the ballot, the voter must deposit the ballot into the ballot counter and ballot box. The mail ballot voting official must immediately record that the voter has voted in the manner provided in section 203B.121, subdivision 3.

(d) The mail ballot voting official must remove and secure the ballots following the procedures in section 203B.121, subdivision 5, paragraph (a). The ballot board must count the ballots after the polls have closed on election day following the procedures in section 203B.121, subdivision 5, paragraph (b).

(e) For purposes of this subdivision, "mail ballot voting official" means the county auditor, the city clerk, a deputy of the auditor or clerk, or an election judge assigned by the auditor or clerk.

Sec. 88. Minnesota Statutes 2022, section 204B.46, is amended to read:

204B.46 MAIL ELECTIONS; QUESTIONS.

A county, municipality, or school district submitting questions to the voters at a special election may conduct an election by mail with no polling place other than the office of the auditor or clerk. No offices may be voted on at a mail election, except in overlapping school and municipal jurisdictions, where a mail election may include an office when one of the jurisdictions also has a question on the ballot. Notice of the election must be given to the county auditor at least 74 days prior to the election. This notice shall also fulfill the requirements of Minnesota Rules, part 8210.3000. The special mail ballot procedures must be posted at least six weeks prior to the election. Not more than 46 nor later than 14 days prior to the election, the auditor or clerk shall mail ballots by nonforwardable mail to all voters registered in the county, municipality, or school district. No later than 14 days before the election, the auditor or clerk must make a subsequent mailing of ballots to those voters who register to vote after the initial mailing but before the 20th day before the election. Eligible voters not registered at the time the ballots are mailed may apply for ballots pursuant to chapter 203B. The auditor or clerk must appoint a ballot board to examine the mail and absentee ballot return envelopes and mark them "Accepted" or "Rejected" within three days of receipt if there are 14 or fewer days before election day, or within five days of receipt if there are more than 14 days before election day. The board may consist of deputy county auditors, deputy municipal clerks, or deputy school district clerks who have received training in the processing and counting of mail ballots, who need not be affiliated with a major political party. Election judges performing the duties in this section must be of different major political parties, unless they are exempt from that requirement under section 205.075, subdivision 4, or section 205A.10. If an envelope has been rejected at least five days before the election, the ballots in the envelope must remain sealed and the auditor or clerk must provide the voter with a replacement ballot and return envelope in place of the spoiled ballot. If the ballot is rejected within five days of the election, the envelope must remain sealed and the official in charge of the ballot board must attempt to contact the voter by telephone or email to notify the voter that the voter's ballot has been rejected. The official must document the attempts made to contact the voter.

If the ballot is accepted, the county auditor or municipal clerk must mark the roster to indicate that the voter has already cast a ballot in that election. After the close of business on the ~~seventh~~ 19th day before the election, the ballots from return envelopes marked "Accepted" may be opened, duplicated as needed in the manner provided by section 206.86, subdivision 5, initialed by the ballot board, and deposited in the appropriate ballot box.

In all other respects, the provisions of the Minnesota Election Law governing deposit and counting of ballots apply.

The mail and absentee ballots for a precinct must be counted together and reported as one vote total. No vote totals from ballots may be made public before the close of voting on election day.

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

Sec. 89. Minnesota Statutes 2022, section 204B.49, is amended to read:

204B.49 "I VOTED" STICKERS.

The secretary of state, county auditor, municipal clerk, school district clerk, or an election judge may provide a sticker containing the words "I VOTED," and nothing more, to an individual who:

(1) has successfully deposited a ballot into a ballot box, ~~under section 203B.081, subdivision 3, or 204C.13, subdivision 5;~~

(2) is provided an absentee ballot under section 203B.07, subdivision 1, or 203B.21, subdivision 2; or

(3) is provided a ballot by mail under section 204B.45 or 204B.46.

Sec. 90. Minnesota Statutes 2022, section 204C.04, subdivision 1, is amended to read:

Subdivision 1. **Right to be absent.** Every employee who is eligible to vote in an election has the right to be absent from work for the time necessary to appear at the employee's polling place, cast a ballot, and return to work on the day of that election or during the time period allowed under section 203B.081 for voting in person before election day, without penalty or deduction from salary or wages because of the absence. An employer or other person may not directly or indirectly refuse, abridge, or interfere with this right or any other election right of an employee.

Sec. 91. Minnesota Statutes 2022, section 204C.07, subdivision 4, is amended to read:

Subd. 4. **Restrictions on conduct.** An election judge ~~may~~ must not be appointed as a challenger. The election judges ~~shall~~ must permit challengers appointed pursuant to this section to be present in the polling place during the hours of voting and to remain there until the votes are counted and the results declared. ~~No~~ A challenger ~~shall~~ must not handle or inspect registration cards, files, or lists. Challengers ~~shall~~ must not prepare in any manner any list of individuals who have or have not voted. They ~~shall~~ must not attempt to influence voting in any manner. ~~They shall~~ In accordance with section 204C.12, challengers must not converse with a voter except to determine, in the presence of an election judge, whether the voter is eligible to vote in the precinct.

Sec. 92. Minnesota Statutes 2022, section 204C.10, as amended by Laws 2023, chapter 12, section 5, is amended to read:

204C.10 POLLING PLACE ROSTER; VOTER SIGNATURE CERTIFICATE; VOTER RECEIPT.

(a) An individual seeking to vote shall sign a polling place roster or voter signature certificate which states that the individual:

(1) is at least 18 years ~~of age~~ old;

(2) is a citizen of the United States;

(3) has ~~resided~~ maintained residence in Minnesota for 20 days immediately preceding the election;

(4) maintains residence at the address shown;

(5) is not under a guardianship in which the court order revokes the individual's right to vote;

(6) has not been found by a court of law to be legally incompetent to vote;

(7) has the right to vote because, if the individual was convicted of a felony, the individual is not currently incarcerated for that conviction;

(8) is registered; and

(9) has not already voted in the election.

The roster must also state: "I understand that deliberately providing false information is a felony punishable by not more than five years imprisonment and a fine of not more than \$10,000, or both."

(b) At the presidential nomination primary, the polling place roster must also state: "I am in general agreement with the principles of the party for whose candidate I intend to vote." This statement must appear separately from the statements required in paragraph (a). The felony penalty provided for in paragraph (a) does not apply to this paragraph.

(c) A judge may, before the applicant signs the roster or voter signature certificate, confirm the applicant's name, address, and date of birth.

(d) After the applicant signs the roster or voter signature certificate, the judge shall give the applicant a voter's receipt. The voter shall deliver the voter's receipt to the judge in charge of ballots as proof of the voter's right to vote, and thereupon the judge shall hand to the voter the ballot. The voters' receipts must be maintained during the time for notice of filing an election contest.

(e) Whenever a challenged status appears on the polling place roster, an election judge must ensure that the challenge is concealed or hidden from the view of any voter other than the voter whose status is challenged.

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

Sec. 93. Minnesota Statutes 2022, section 204C.15, subdivision 1, is amended to read:

Subdivision 1. **Physical assistance in marking ballots.** A voter who claims a need for assistance because of inability to read English or physical inability to mark a ballot may obtain the aid of two election judges who are members of different major political parties. The election judges shall mark the ballots as directed by the voter and in as secret a manner as circumstances permit. A voter in need of assistance may alternatively obtain the assistance of any individual the voter chooses. Only the following persons may not provide assistance to a voter: the voter's employer, an agent of the voter's employer, or an officer or agent of the voter's union, or a candidate for election. The person who assists the voter shall, unaccompanied by an election judge, retire with that voter to a booth and mark the ballot as directed by the voter. ~~No person who assists another voter as provided in the preceding sentence shall mark the ballots of more than three voters at one election.~~ Before the ballots are deposited, the voter may show them privately to an election judge to ascertain that they are marked as the voter directed. An election judge or other individual assisting a voter shall not in any manner request, persuade, induce, or attempt to persuade or induce the voter to vote for any particular political party or candidate. The election judges or other individuals who assist the voter shall not reveal to anyone the name of any candidate for whom the voter has voted or anything that took place while assisting the voter.

Sec. 94. Minnesota Statutes 2022, section 204C.24, subdivision 1, is amended to read:

Subdivision 1. **Information requirements.** Precinct summary statements shall be submitted by the election judges in every precinct. For all elections, the election judges shall complete three or more copies of the summary statements, and each copy shall contain the following information for each kind of ballot:

(1) the number of ballots delivered to the precinct as adjusted by the actual count made by the election judges, the number of unofficial ballots made, and the number of absentee ballots delivered to the precinct;

(2) the number of votes each candidate received or the number of yes and no votes on each question, the number of undervotes, the number of overvotes, and the number of defective ballots with respect to each office or question;

(3) the number of spoiled ballots, the number of duplicate ballots made, the number of absentee ballots rejected, and the number of unused ballots, presuming that the total count provided on each package of unopened prepackaged ballots is correct;

(4) the number of voted ballots indicating only a voter's choices as provided by section 206.80, paragraph (b), clause (2), item (ii);

(5) the number of individuals who voted at the election in the precinct which must equal the total number of ballots cast in the precinct, as required by sections 204C.20 and 206.86, subdivision 1;

~~(5)~~ (6) the number of voters registering on election day in that precinct; and

~~(6)~~ (7) the signatures of the election judges who counted the ballots certifying that all of the ballots cast were properly piled, checked, and counted; and that the numbers entered by the election judges on the summary statements correctly show the number of votes cast for each candidate and for and against each question;

(8) the number of election judges that worked in that precinct on election day; and

(9) the number of voting booths used in that precinct on election day.

At least two copies of the summary statement must be prepared for elections not held on the same day as the state elections.

Sec. 95. Minnesota Statutes 2022, section 204C.28, subdivision 1, is amended to read:

Subdivision 1. **County auditor.** (a) Every county auditor shall must remain at the auditor's office to receive delivery of the returns, to permit public inspection of the summary statements, and to tabulate the votes until all have been tabulated and the results made known, or until 24 hours have elapsed since the end of the hours for voting, whichever occurs first. Every county auditor shall must, in the presence of the municipal clerk or the election judges who deliver the returns, make a record of all materials delivered, the time of delivery, and the names of the municipal clerk or election judges who made delivery. The record must include the number of ballots delivered to the precinct, as certified by section 204B.28, and the total number of ballots returned, as certified by the election judges under section 204C.24. A discrepancy between the number of ballots delivered

to the precinct and the number of total ballots returned by election judges that cannot be reconciled by taking into account the adjustments made by the election judge counts and any unofficial ballots must be noted, but does not necessarily require disqualification of the votes from that precinct or invalidation of the election. The county auditor ~~shall~~ must file the record and all envelopes containing ballots in a safe and secure place with envelope seals unbroken. Access to the record and ballots ~~shall~~ must be strictly controlled. Accountability and a record of access ~~shall~~ must be maintained by the county auditor during the period for contesting elections or, if a contest is filed, until the contest has been finally determined. Thereafter, the record ~~shall~~ must be retained in the auditor's office for the same period as the ballots as provided in section 204B.40.

(b) The county auditor ~~shall~~ must file all envelopes containing ballots in a safe place with seals unbroken. If the envelopes ~~were previously~~ are opened by proper authority for examination or recount; as specifically authorized by a court or statute, the county auditor ~~shall~~ must have the envelopes sealed again and signed by the individuals who made the inspection or recount. The envelopes may be opened by the county ~~canvassing board~~ auditor if necessary to procure election returns that the election judges inadvertently may have sealed in the envelopes with the ballots. In that case, the envelopes ~~shall~~ must be sealed again and signed in the same manner as otherwise provided in this subdivision.

Sec. 96. Minnesota Statutes 2022, section 204C.33, subdivision 3, is amended to read:

Subd. 3. **State canvass.** The State Canvassing Board shall meet at a public meeting space located in the Capitol complex area on the third Tuesday following the state general election to canvass the certified copies of the county canvassing board reports received from the county auditors and shall prepare a report that states:

- (1) the number of individuals voting in the state and in each county;
- (2) the number of votes received by each of the candidates, specifying the counties in which they were cast; and
- (3) the number of votes counted for and against each constitutional amendment, specifying the counties in which they were cast.

All members of the State Canvassing Board shall sign the report and certify its correctness. Within three days after completing the canvass, the State Canvassing Board shall declare the result within three days after completing the canvass and declare the candidates duly elected who received the highest number of votes for each federal office and for each state office voted on in more than one county.

Sec. 97. Minnesota Statutes 2022, section 204C.35, is amended by adding a subdivision to read:

Subd. 5. **Challenged ballots.** Notwithstanding any law to the contrary, a canvassing board may direct a recount official to make images of ballots challenged by a candidate in a recount available to the public.

Sec. 98. Minnesota Statutes 2022, section 204C.39, subdivision 1, is amended to read:

Subdivision 1. **Manner of correction.** A county canvassing board may determine by majority vote that the election judges have made an obvious error in counting or recording the votes for an office. The county canvassing board shall then promptly notify all candidates for that office of the determination, including a description of the error. ~~A candidate who receives notification pursuant to this subdivision or any candidate who believes that the election judges in a precinct have made an obvious error in the counting or recording of the votes for an office may~~ The county canvassing board must also instruct the county auditor to apply without unreasonable delay to the district court of the county containing the precinct in which the alleged error was made for an order determining whether or not an obvious error has been made. The applicant auditor shall describe the alleged error in the application and may submit additional evidence as directed by the court. The applicant auditor shall notify the county canvassing board and all candidates for the affected office in the manner directed by the court. If the court finds that the election judges made an obvious error it shall issue an order specifying the error and directing the county canvassing board to inspect the ballots and returns of the precinct in order to correct the error and to proceed further in accordance with this section or otherwise as the court may direct.

Sec. 99. Minnesota Statutes 2022, section 204D.08, subdivision 6, is amended to read:

Subd. 6. **State and county nonpartisan primary ballot.** The state and county nonpartisan primary ballot shall be headed "State and County Nonpartisan Primary Ballot." It shall be printed in the manner provided in the rules of the secretary of state. The names of candidates for nomination to the supreme court, court of appeals, district court, ~~and~~ all county offices, all city offices, and all school district offices shall be placed on this ballot.

No candidate whose name is placed on the state and county nonpartisan primary ballot shall be designated or identified as the candidate of any political party or in any other manner except as expressly provided by law.

Sec. 100. Minnesota Statutes 2022, section 204D.09, subdivision 2, is amended to read:

Subd. 2. **Sample ballot.** At least 46 days before the state primary the county auditor ~~shall~~ must prepare a sample ballot for each precinct for public inspection and transmit an electronic copy of these sample ballots to the secretary of state. The names of the candidates to be voted for in the county ~~shall~~ must be placed on the sample ballots, with the names of the candidates for each office arranged in the base rotation as determined by section 206.61, subdivision 5. The county auditor ~~shall~~ must post the sample ballots in a conspicuous place in the auditor's office ~~and shall cause them to be published.~~ At least one week before the state primary, the county auditor must publish a notice to voters pursuant to section 204D.16 in at least one newspaper of general circulation in the county.

EFFECTIVE DATE. This section is effective December 1, 2023, or upon the secretary of state's approval of the notice required by Minnesota Statutes, section 204D.16, paragraph (b), whichever is earlier. The secretary of state must notify the revisor of statutes of the approval date.

Sec. 101. Minnesota Statutes 2022, section 204D.13, subdivision 2, is amended to read:

Subd. 2. **Order of ~~political parties~~ candidates for president and vice president.** The first name printed for ~~each partisan office~~ president and vice president of the United States on the state general election ballot shall be that of the candidate of the major political party that received the smallest average number of votes at the last state general election. The succeeding names shall be

those of the candidates of the other major political parties that received a succeedingly higher average number of votes respectively. For the purposes of this subdivision, the average number of votes of a major political party shall be computed by dividing the total number of votes counted for all of the party's candidates for statewide office at the state general election by the number of those candidates at the election. The names of candidates nominated by petition for president and vice president shall be placed on the state general election ballot after the names of the candidates for that office who were nominated by major political parties. No later than 11 weeks before the state general election, the secretary of state shall determine by lot the order of candidates nominated by petition. The drawing of lots must be by political party or principle.

Sec. 102. Minnesota Statutes 2022, section 204D.13, is amended by adding a subdivision to read:

Subd. 2a. **Rotation of names; other partisan offices.** Except as provided in subdivision 2, the names of candidates for partisan offices on the state general election ballot shall be rotated in the manner provided for rotation of names on state partisan primary ballots by section 204D.08, subdivision 3.

Sec. 103. Minnesota Statutes 2022, section 204D.13, subdivision 3, is amended to read:

Subd. 3. **Nominees by petition; placement on ballot political party or principle.** The names of candidates nominated by petition for a partisan office voted on at the state general election shall be placed on the state general election ballot after the names of the candidates for that office who were nominated at the state primary. No later than 11 weeks before the state general election, the secretary of state shall determine by lot the order of candidates nominated by petition. The drawing of lots must be by political party or principle. For candidates nominated by petition for partisan office, the political party or political principle of ~~the~~ a candidate as stated on the petition shall be placed after the name of a candidate nominated by petition. The word "nonpartisan" shall not be used to designate any partisan candidate whose name is placed on the state general election ballot by nominating petition.

Sec. 104. Minnesota Statutes 2022, section 204D.16, is amended to read:

204D.16 SAMPLE GENERAL ELECTION BALLOTS; POSTING; PUBLICATION.

(a) At least 46 days before the state general election, the county auditor ~~shall~~ must post sample ballots for each precinct in the auditor's office for public inspection and transmit an electronic copy of these sample ballots to the secretary of state.

(b) No earlier than ~~15~~ 20 days and no later than ~~two~~ ten days before the state general election the county auditor ~~shall~~ must cause a ~~sample state general election ballot~~ notice to voters to be published in at least one newspaper of general circulation in the county. The secretary of state, in collaboration with stakeholders, must design the notice to be published, including the format and content to be used. The secretary of state, in collaboration with stakeholders, may modify the content or format of the notice to be used by metropolitan counties, as defined in section 473.121, subdivision 4. When published, the notice must be sized so that it comprises a minimum of one full newspaper page.

(c) The notice required by paragraph (b) must, at minimum, include the following:

(1) a statement that the voter's official ballot will have the names of all candidates for the voter's precinct;

(2) the web address where a voter may view the voter's sample ballot based on the voter's address;

(3) the county's website where a list of sample ballots for each county precinct may be viewed;

(4) how a voter may obtain a free copy of a sample ballot specific to the voter's address; and

(5) contact information for the appropriate local election official, including a phone number and email address.

The notice may include information about contests on the ballot; names, offices, and party affiliation, if any, of candidates; polling place locations; poll hours; and absentee voting information.

(d) For purposes of this section, "stakeholder" means local government election officials and representatives of the Minnesota Newspaper Association.

EFFECTIVE DATE. This section is effective December 1, 2023, or upon the secretary of state's approval of the notice required by Minnesota Statutes, section 204D.16, paragraph (b), whichever is earlier. The secretary of state must notify the revisor of statutes of the approval date.

Sec. 105. Minnesota Statutes 2022, section 204D.25, subdivision 1, is amended to read:

Subdivision 1. **Form.** Except as provided in subdivision 2, the county auditor ~~shall~~ must prepare separate ballots for a special primary and special election as required by sections 204D.17 to 204D.27. The ballots ~~shall~~ must be headed "Special Primary Ballot" or "Special Election Ballot" as the case may be, followed by the date of the special primary or special election. Immediately below the title of each office to be filled ~~shall~~ must be printed the words "To fill vacancy in term expiring" with the date of expiration of the term and any other information that is necessary to distinguish the office from any other office to be voted upon at the same election. For a special primary or special election, the instructions to voters may use the singular form of the word when referring to candidates and offices when only one office is to be filled at the special election. Otherwise the form of the ballots ~~shall~~ must comply as far as practicable with the laws relating to ballots for state primaries and state general elections. The county auditor ~~shall~~ must post a sample of each ballot in the auditor's office as soon as prepared and not later than four days before the special primary or special election. Publication of the ~~sample ballot~~ notice to voters pursuant to section 204D.16 for a special primary or special election is not required.

EFFECTIVE DATE. This section is effective December 1, 2023, or upon the secretary of state's approval of the notice required by Minnesota Statutes, section 204D.16, paragraph (b), whichever is earlier. The secretary of state must notify the revisor of statutes of the approval date.

Sec. 106. Minnesota Statutes 2022, section 205.13, subdivision 5, is amended to read:

Subd. 5. **Nominating petition; cities of the first class.** A nominating petition filed on behalf of a candidate for municipal office in a city of the first class shall be signed by eligible voters who ~~reside~~ maintain residence in the election district from which the candidate is to be elected. The number of signers shall be at least 500, or two percent of the total number of individuals who voted

in the municipality, ward, or other election district at the last preceding municipal general election, whichever is greater.

Sec. 107. Minnesota Statutes 2022, section 205.16, subdivision 2, is amended to read:

Subd. 2. **Sample ballot, publication.** For every municipal election, the municipal clerk ~~shall~~ must, at least two weeks before the election, publish a ~~sample ballot~~ notice to voters pursuant to section 204D.16 in the official newspaper of the municipality, except that the governing body of a fourth class city or a town not located within a metropolitan county as defined in section 473.121 may dispense with publication.

EFFECTIVE DATE. This section is effective December 1, 2023, or upon the secretary of state's approval of the notice required by Minnesota Statutes, section 204D.16, paragraph (b), whichever is earlier. The secretary of state must notify the revisor of statutes of the approval date.

Sec. 108. Minnesota Statutes 2022, section 205.175, subdivision 3, is amended to read:

Subd. 3. **Other municipalities.** The governing body of a municipality other than a municipality described in subdivision 2, may by resolution adopted prior to giving notice of the election, designate the time, in addition to the minimum voting hours provided in subdivision 1, during which the polling places will remain open for voting at the next succeeding and all subsequent municipal elections. The resolution shall remain in force until it is revoked by the municipal governing body or changed because of request by voters as provided in this subdivision. If a petition requesting longer voting hours, signed by a number of voters equal to 20 percent of the votes cast at the last municipal election, is presented to the municipal clerk no later than 30 days prior to the municipal election, then the polling places for that election shall open at 10:00 a.m. and close at 8:00 p.m. The municipal clerk shall give ten days' notice of the changed voting hours and notify the county auditor and secretary of state of the change. Municipalities covered by this subdivision shall certify their election hours to the county auditor in January of each year.

Sec. 109. Minnesota Statutes 2022, section 205A.09, subdivision 2, is amended to read:

Subd. 2. **Other school districts.** At a school district election in a school district other than one described in subdivision 1, the school board, by resolution adopted before giving notice of the election, may designate the time during which the polling places will remain open for voting at the next succeeding and all later school district elections. All polling places must be open between the hours of 5:00 p.m. and 8:00 p.m. The resolution must remain in force until it is revoked by the school board or changed because of request by voters as provided in this subdivision. If a petition requesting longer voting hours, signed by a number of voters equal to 20 percent of the votes cast at the last school district election, is presented to the school district clerk no later than 30 days before a school district election, then the polling places for that election must open at 10:00 a.m. and close at 8:00 p.m. The school district clerk must give ten days' published notice and posted notice of the changed voting hours and notify appropriate county auditors and the secretary of state of the change.

Sec. 110. Minnesota Statutes 2022, section 205A.10, subdivision 5, is amended to read:

Subd. 5. **School district canvassing board.** For the purpose of a recount of a special election conducted under section 126C.17, subdivision 9, or 475.59, the school district canvassing board shall consist of one member of the school board other than the clerk, selected by the board, the clerk

of the school board, the county auditor of the county in which the greatest number of school district residents ~~reside~~ maintain residence, the court administrator of the district court of the judicial district in which the greatest number of school district residents ~~reside~~ maintain residence, and the mayor or chair of the town board of the school district's most populous municipality. Any member of the canvassing board may appoint a designee to appear at the meeting of the board, except that no designee may be a candidate for public office. If one of the individuals fails to appear at the meeting of the canvassing board, the county auditor shall appoint an eligible voter of the school district, who must not be a member of the school board, to fill the vacancy. Not more than two school board members shall serve on the canvassing board at one time. Four members constitute a quorum.

The school board shall serve as the school district canvassing board for the election of school board members.

Sec. 111. Minnesota Statutes 2022, section 205A.12, subdivision 5, is amended to read:

Subd. 5. **Board elections.** If the proposal for the establishment of election districts is approved by the voters, the board shall specify the election districts from which vacancies shall be filled as they occur until such time as each board member represents an election district. A candidate for school board in a subsequent election must file an affidavit of candidacy to be elected as a school board member for the election district in which the candidate ~~resides~~ maintains residence. If there are as many election districts as there are members of the board, one and only one member of the board shall be elected from each election district. In school districts where one or more board members are elected by election districts, candidates must indicate on the affidavit of candidacy the number of the district from which they seek election or, if appropriate, that they seek election from one of the offices elected at large. If the election districts have two or three members each, the terms of the members must be staggered. Each board member must be a resident of the election district for which elected but the creation of an election district or a change in election district boundaries shall not disqualify a board member from serving for the remainder of a term.

Sec. 112. Minnesota Statutes 2022, section 206.58, subdivision 1, is amended to read:

Subdivision 1. **Municipalities.** (a) The governing body of a municipality, at a regular meeting or at a special meeting called for the purpose, may provide for the use of an electronic voting system in one or more precincts and at all elections in the precincts, subject to approval by the county auditor. Once a municipality has adopted the use of an electronic voting system in one or more precincts, the municipality must continue to use an electronic voting system for state elections in those precincts. The governing body ~~shall~~ must disseminate information to the public about the use of a new voting system at least 60 days prior to the election and ~~shall~~ must provide for instruction of voters with a demonstration voting system in a public place for the six weeks immediately prior to the first election at which the new voting system will be used.

~~No system may be adopted or used~~ (b) A municipality must not adopt or use a system unless it has been approved by the secretary of state pursuant to section 206.57.

Sec. 113. Minnesota Statutes 2022, section 206.58, subdivision 3, is amended to read:

Subd. 3. **Counties.** (a) The governing body of a county may provide for the use of an electronic voting system in one or more precincts of the county at all elections. Once a county has adopted the use of an electronic voting system in one or more precincts, the county must continue to use an

electronic voting system for state elections in those precincts. The governing body of the municipality ~~shall~~ must give approval before an electronic voting system may be adopted or used in the municipality under the authority of this section.

~~No system may be adopted or used~~ (b) A county must not adopt or use a system unless it has been approved by the secretary of state pursuant to section 206.57.

Sec. 114. Minnesota Statutes 2022, section 206.61, subdivision 1, is amended to read:

Subdivision 1. **Official responsible for providing ballots.** (a) The official charged with providing paper ballots when they are used shall provide all ballot cards, sample ballots, precinct summary statements, and other necessary supplies needed for electronic voting systems, except as otherwise provided by this section.

(b) At general elections and primaries the county auditor of each county in which an electronic voting system is used shall provide all ballot cards and other necessary printed forms and supplies needed for the electronic voting system, including all forms needed for voting on candidates and questions, the ballots for which are required by the election laws to be provided by the state when paper ballots are used.

(c) In precincts using a ballot format as provided by section 206.80, paragraph (b), clause (2), item (ii), voters must be provided the option of voting with a regularly printed optical scan ballot.

Sec. 115. Minnesota Statutes 2022, section 206.80, is amended to read:

206.80 ELECTRONIC VOTING SYSTEMS.

(a) An electronic voting system may not be employed unless it:

(1) permits every voter to vote in secret;

(2) permits every voter to vote for all candidates and questions for whom or upon which the voter is legally entitled to vote;

(3) provides for write-in voting when authorized;

(4) automatically rejects, except as provided in section 206.84 with respect to write-in votes, all votes for an office or question when the number of votes cast on it exceeds the number which the voter is entitled to cast;

(5) permits a voter at a primary election to select secretly the party for which the voter wishes to vote;

(6) automatically rejects all votes cast in a primary election by a voter when the voter votes for candidates of more than one party; and

(7) provides every voter an opportunity to verify votes recorded on the permanent paper ballot, either visually or using assistive voting technology, and to change votes or correct any error before the voter's ballot is cast and counted, produces an individual, discrete, permanent, paper ballot cast by the voter, and preserves the paper ballot as an official record available for use in any recount.

(b) An electronic voting system purchased on or after June 4, 2005, may not be employed unless it:

(1) accepts and tabulates, in the polling place or at a counting center, a marked optical scan ballot; or

(2) creates a ~~marked optical scan~~ ballot that can be tabulated in the polling place or at a counting center by automatic tabulating equipment certified for use in this state and the ballot is:

(i) a marked optical scan ballot; or

(ii) a marked paper ballot indicating, at a minimum, the date of the election; the name of the precinct; an electronically readable precinct identifier or ballot style indicator; and the voter's votes for each office or question, generated from the voter's use of a touch screen or other electronic device on which a complete ballot meeting the information requirements of any applicable law was displayed electronically.

(c) The use of multiple ballot formats of electronic voting systems in a jurisdiction is not a violation of a voter's right to vote in secret, provided that a record of the ballot formats of electronic voting system used by a voter is not recorded by the election judges or any other elections official in any form.

Sec. 116. Minnesota Statutes 2022, section 206.83, is amended to read:

206.83 TESTING OF VOTING SYSTEMS.

~~Within 14~~ At least three days before ~~election day~~ voting equipment is used, the official in charge of elections shall have the voting system tested to ascertain that the system will correctly mark ballots using all methods supported by the system, including through assistive technology, and count the votes cast for all candidates and on all questions. Public notice of the time and place of the test must be given at least two days in advance by publication once in official newspapers. The test must be observed by at least two election judges, who are not of the same major political party, and must be open to representatives of the political parties, candidates, the press, and the public. The test must be conducted by (1) processing a preaudited group of ballots punched or marked to record a predetermined number of valid votes for each candidate and on each question, and must include for each office one or more ballot cards which have votes in excess of the number allowed by law in order to test the ability of the voting system tabulator and electronic ballot marker to reject those votes; and (2) processing an additional test deck of ballots marked using the electronic ballot marker for the precinct, including ballots marked using the electronic ballot display, audio ballot reader, and any assistive voting technology used with the electronic ballot marker. If any error is detected, the cause must be ascertained and corrected and an errorless count must be made before the voting system may be used in the election. After the completion of the test, the programs used and ballot cards must be sealed, retained, and disposed of as provided for paper ballots.

Sec. 117. Minnesota Statutes 2022, section 206.845, subdivision 1, is amended to read:

Subdivision 1. **Prohibited connections.** The county auditor and municipal clerk must secure ballot recording and tabulating systems physically and electronically against unauthorized access. Except for wired connections within the polling place, ballot recording and tabulating systems must

not be connected to or operated on, directly or indirectly, any electronic network, including a local area network, a wide-area network, the Internet, or the World Wide Web. Wireless communications may not be used in any way in a vote recording or vote tabulating system. Wireless, device-to-device capability is not permitted. No connection by modem is permitted.

Transfer of information from the ballot recording or tabulating system to another system for network distribution or broadcast must be made by disk, tape, or other physical means of communication, other than direct or indirect electronic connection of the vote recording or vote tabulating system. A county auditor or municipal clerk may not create or disclose, or permit any other person to create or disclose, an electronic image of the hard drive of any vote recording or tabulating system or any other component of an electronic voting system, except as authorized in writing by the secretary of state or for the purpose of conducting official duties as expressly authorized by law.

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

Sec. 118. Minnesota Statutes 2022, section 206.845, is amended by adding a subdivision to read:

Subd. 3. **Cast vote records.** After the municipal clerk or county auditor has received data from automatic tabulating equipment, textual data from the file is public, with the following exceptions, which are protected nonpublic data under section 13.02:

- (1) data that indicate the date, time, or order in which a voter cast a ballot;
- (2) data that indicate the method with which a voter cast a ballot;
- (3) data files that do not include all ballots cast in a precinct;
- (4) data files that provide data in the order it was generated; and
- (5) data from precincts in which fewer than ten votes were cast.

Data stored as images are protected nonpublic data under section 13.02.

Sec. 119. Minnesota Statutes 2022, section 206.86, is amended by adding a subdivision to read:

Subd. 5a. **Ballots in precincts with multiple styles of voting system.** In the event the results of a precinct are subject to a recount under section 204C.35 or 204C.36, or are subject to a postelection review under section 206.89, and a ballot format as provided in section 206.80, paragraph (b), clause (2), item (ii), was used by ten or fewer voters in the precinct, the election judges from that precinct are not eligible to participate in conducting a recount or postelection review in that precinct.

Sec. 120. Minnesota Statutes 2022, section 206.90, subdivision 10, is amended to read:

Subd. 10. **Counting write-in votes.** Notwithstanding section 204C.22, subdivision 4, in precincts using optical scan voting systems, the ballot must be marked in the oval or other target shape opposite the blank when a voter writes an individual's name on the line provided for write-in votes in order to be counted. The judges shall count the write-in votes and enter the number of those votes on forms provided for the purpose. When the write-in votes are recorded on a medium that cannot be

examined for write-in votes by the automatic tabulating equipment or the automatic tabulating equipment does not reject, with respect to write-in votes, all votes for an office or question when the number of votes cast on it exceeds the number which the voter is entitled to count, all ballot envelopes or other medium on which write-in votes have been recorded must be serially numbered, starting with the number one and the same number must be placed on the ballot card of the voter. The judges shall compare the write-in votes with the votes cast on the ballot card. If the total number of votes for any office exceeds the number allowed by law, a notation to that effect must be entered on the back of the ballot card and the card must be returned to the counting center in an envelope marked "defective ballots"; however, valid votes on ballot cards containing invalid votes must be counted as provided in section 206.86, subdivision 5.

When the write-in votes are recorded on ballot cards that can be examined for write-in votes by the automatic tabulating equipment and the automatic tabulating equipment rejects all votes for an office or question when the number of votes cast on it exceeds the number which the voter is entitled to cast, the judges shall examine the ballot cards with write-in votes and count the valid write-in votes.

Sec. 121. Minnesota Statutes 2022, section 207A.12, is amended to read:

207A.12 CONDUCTING PRESIDENTIAL NOMINATION PRIMARY.

(a) Except as otherwise provided by law, the presidential nomination primary must be conducted, and the results canvassed and returned, in the manner provided by law for the state primary.

(b) An individual seeking to vote at the presidential nomination primary must be registered to vote pursuant to section 201.054, subdivision 1. The voter must request the ballot of the party for whose candidate the individual wishes to vote. Notwithstanding section 204C.18, subdivision 1, the election judge must record in the polling place roster the name of the political party whose ballot the voter requested. When posting voter history pursuant to section 201.171, the county auditor must include the name of the political party whose ballot the voter requested. The political party ballot selected by a voter is private data on individuals as defined under section 13.02, subdivision 12, except as provided in section 201.091, subdivision 4a. A voter eligible to cast a ballot as provided in section 5B.06 must be permitted to cast a ballot at the presidential nomination primary consistent with the requirements of that section.

(c) Immediately after the state canvassing board declares the results of the presidential nomination primary, the secretary of state must notify the chair of each party of the results.

(d) The results of the presidential nomination primary must bind the election of delegates in each party.

Sec. 122. Minnesota Statutes 2022, section 207A.15, subdivision 2, is amended to read:

Subd. 2. **Reimbursable local expenses.** (a) The secretary of state ~~shall~~ must reimburse the counties and municipalities for expenses incurred in the administration of the presidential nomination primary from money contained in the presidential nomination primary elections account. The following expenses are eligible for reimbursement: preparation and printing of ballots; postage for absentee ballots; publication of ~~the sample ballot~~ notice to voters pursuant to section 204D.16; preparation of polling places in an amount not to exceed \$150 per polling place; preparation of

electronic voting systems in an amount not to exceed \$100 per precinct; compensation for temporary staff or overtime payments; salaries of election judges; compensation of county canvassing board members; and other expenses as approved by the secretary of state.

(b) Within 60 days after the results of a presidential nomination primary are certified by the State Canvassing Board, the county auditor must submit a request for payment of the costs incurred by the county for conducting the presidential nomination primary, and the municipal clerk must submit a request for payment of the costs incurred by the municipality for conducting the presidential nomination primary. The request for payment must be submitted to the secretary of state, and must be accompanied by an itemized description of actual county or municipal expenditures, including copies of invoices. In addition, the county auditor or municipal clerk must certify that the request for reimbursement is based on actual costs incurred by the county or municipality in the presidential nomination primary.

(c) The secretary of state ~~shall~~ must provide each county and municipality with the appropriate forms for requesting payment and certifying expenses under this subdivision. The secretary of state must not reimburse expenses unless the request for payment and certification of costs has been submitted as provided in this subdivision. The secretary of state must complete the issuance of reimbursements to the counties and municipalities no later than 90 days after the results of the presidential nomination primary have been certified by the State Canvassing Board.

EFFECTIVE DATE. This section is effective December 1, 2023, or upon the secretary of state's approval of the notice required by Minnesota Statutes, section 204D.16, paragraph (b), whichever is earlier. The secretary of state must notify the revisor of statutes of the approval date.

Sec. 123. Minnesota Statutes 2022, section 208.05, is amended to read:

208.05 STATE CANVASSING BOARD.

The State Canvassing Board at its meeting on the date provided in section 204C.33 shall open and canvass the returns made to the secretary of state for presidential electors and alternates, prepare a statement of the number of votes cast for the persons receiving votes for these offices, and declare the person or persons receiving the highest number of votes for each office duly elected, except that if the Agreement Among the States to Elect the President by National Popular Vote governs the appointment of presidential electors, the State Canvassing Board shall declare duly elected the candidates for presidential electors and alternates identified in accordance with the provisions of that agreement. When it appears that more than the number of persons to be elected as presidential electors or alternates have the highest and an equal number of votes, the secretary of state, in the presence of the board shall decide by lot which of the persons shall be declared elected, except that if the Agreement Among the States to Elect the President by National Popular Vote governs the appointment of presidential electors, no such drawing of lots shall be conducted. The governor shall transmit to each person declared elected a certificate of election, signed by the governor, sealed with the state seal, and countersigned by the secretary of state.

Sec. 124. **[208.051] AGREEMENT AMONG THE STATES TO ELECT THE PRESIDENT BY NATIONAL POPULAR VOTE.**

The Agreement Among the States to Elect the President by National Popular Vote is enacted into law and entered into with all other states legally joining in it in substantially the following form:

Article I - Membership

Any state of the United States and the District of Columbia may become a member of this agreement by enacting this agreement.

Article II - Right of the People in Member States to
Vote for President and Vice President

Each member state shall conduct a statewide popular election for president and vice president of the United States.

Article III - Manner of Appointing Presidential Electors in Member States

Prior to the time set by law for the meeting and voting by the presidential electors, the chief election official of each member state shall determine the number of votes for each presidential slate in each state of the United States and in the District of Columbia in which votes have been cast in a statewide popular election and shall add such votes together to produce a national popular vote total for each presidential slate. The chief election official of each member state shall designate the presidential slate with the largest national popular vote total as the national popular vote winner. The presidential elector certifying official of each member state shall certify the appointment in that official's own state of the elector slate nominated in that state in association with the national popular vote winner. At least six days before the day fixed by law for the meeting and voting by the presidential electors, each member state shall make a final determination of the number of popular votes cast in the state for each presidential slate and shall communicate an official statement of such determination within 24 hours to the chief election official of each other member state. The chief election official of each member state shall treat as conclusive an official statement containing the number of popular votes in a state for each presidential slate made by the day established by federal law for making a state's final determination conclusive as to the counting of electoral votes by Congress. In event of a tie for the national popular vote winner, the presidential elector certifying official of each member state shall certify the appointment of the elector slate nominated in association with the presidential slate receiving the largest number of popular votes within that official's own state. If, for any reason, the number of presidential electors nominated in a member state in association with the national popular vote winner is less than or greater than that state's number of electoral votes, the presidential candidate on the presidential slate that has been designated as the national popular vote winner shall have the power to nominate the presidential electors for that state and that state's presidential elector certifying official shall certify the appointment of such nominees. The chief election official of each member state shall immediately release to the public all vote counts or statements of votes as they are determined or obtained. This article shall govern the appointment of presidential electors in each member state in any year in which this agreement is, on July 20, in effect in states cumulatively possessing a majority of the electoral votes.

Article IV - Other Provisions

This agreement shall take effect when states cumulatively possessing a majority of the electoral votes have enacted this agreement in substantially the same form and the enactments by such states have taken effect in each state. Any member state may withdraw from this agreement, except that a withdrawal occurring six months or less before the end of a president's term shall not become effective until a president or vice president shall have been qualified to serve the next term. The

chief executive of each member state shall promptly notify the chief executive of all other states of when this agreement has been enacted and has taken effect in that official's state, when the state has withdrawn from this agreement, and when this agreement takes effect generally. This agreement shall terminate if the electoral college is abolished. If any provision of this agreement is held invalid, the remaining provisions shall not be affected.

Article V - Definitions

For purposes of this agreement:

(1) "chief election official" means the state official or body that is authorized to certify the total number of popular votes for each presidential slate;

(2) "chief executive" means the governor of a state of the United States or the mayor of the District of Columbia;

(3) "elector slate" means a slate of candidates who have been nominated in a state for the position of presidential elector in association with a presidential slate;

(4) "presidential elector" means an elector for president and vice president of the United States;

(5) "presidential elector certifying official" means the state official or body that is authorized to certify the appointment of the state's presidential electors;

(6) "presidential slate" means a slate of two persons, the first of whom has been nominated as a candidate for president of the United States and the second of whom has been nominated as a candidate for vice president of the United States, or any legal successors to such persons, regardless of whether both names appear on the ballot presented to the voter in a particular state;

(7) "state" means a state of the United States and the District of Columbia; and

(8) "statewide popular election" means a general election in which votes are cast for presidential slates by individual voters and counted on a statewide basis.

Sec. 125. [208.052] CONFLICT OF LAWS.

When the Agreement Among the States to Elect the President by National Popular Vote governs the appointment of presidential electors, the provisions of that agreement shall take precedence over any conflicting law of this state.

Sec. 126. Minnesota Statutes 2022, section 209.021, subdivision 2, is amended to read:

Subd. 2. **Notice filed with court.** If the contest relates to a nomination or election for statewide office, the contestant shall file the notice of contest with the court administrator of District Court in Ramsey County. For contests relating to any other office, the contestant shall file the notice of contest with the court administrator of district court in the county where the contestee ~~resides~~ maintains residence.

If the contest relates to a constitutional amendment, the contestant shall file the notice of contest with the court administrator of District Court in Ramsey County. If the contest relates to any other

question, the contestant shall file the notice of contest with the court administrator of district court for the county or any one of the counties where the question appeared on the ballot.

Sec. 127. Minnesota Statutes 2022, section 211A.02, subdivision 1, is amended to read:

Subdivision 1. **When and where filed by committees.** (a) A committee or a candidate who receives contributions or makes disbursements of more than \$750 in a calendar year shall submit an initial report to the filing officer within 14 days after the candidate or committee receives or makes disbursements of more than \$750 and shall continue to make the reports listed in paragraph (b) until a final report is filed.

(b) The committee or candidate must file a report by January 31 of each year following the year when the initial report was filed and in a year when the candidate's name or a ballot question appears on the ballot, the candidate or committee shall file a report:

(1) ten days before the primary or special primary. This report is required regardless of whether the candidate or issue is on the primary ballot or a primary is not conducted;

(2) ten days before the general election or special election; and

(3) 30 days after a general or special election.

Sec. 128. **[211B.076] INTIMIDATION AND INTERFERENCE RELATED TO THE PERFORMANCE OF DUTIES BY AN ELECTION OFFICIAL; PENALTIES.**

Subdivision 1. **Definition.** For the purposes of this section, "election official" means a member of a canvassing board, the county auditor or municipal clerk charged with duties relating to elections, a member of a ballot board, an election judge, an election judge trainee, or any other individual assigned by a state entity or county or municipal government to perform official duties related to elections.

Subd. 2. **Intimidation.** (a) A person may not directly or indirectly use or threaten force, coercion, violence, restraint, damage, harm, or loss, including loss of employment or economic reprisal, against another with the intent to influence an election official in the performance of a duty of election administration.

(b) In a civil action brought to prevent and restrain violations of this subdivision or to require the payment of civil penalties, the plaintiff may show that the action or attempted action would cause a reasonable person to feel intimidated. The plaintiff does not need to show that the defendant intended to cause the victim to feel intimidated.

Subd. 3. **Interfering with or hindering the administration of an election.** A person may not intentionally hinder, interfere with, or prevent an election official's performance of a duty related to election administration.

Subd. 4. **Dissemination of personal information about an election official.** (a) A person may not knowingly and without consent make publicly available, including but not limited to through the Internet, personal information about an election official or an election official's family or household member if:

(1) the dissemination poses an imminent and serious threat to the official's safety or the safety of an official's family or household member; and

(2) the person making the information publicly available knows or reasonably should know of any imminent and serious threat.

(b) As used in this subdivision, "personal information" means the home address of the election official or a member of an election official's family, directions to that home, or photographs of that home.

Subd. 5. **Obstructing access.** A person may not intentionally and physically obstruct an election official's access to or egress from a polling place, meeting of a canvassing board, place where ballots and elections equipment are located or stored, or any other place where the election official performs a duty related to election administration.

Subd. 6. **Tampering with voting equipment.** (a) A person may not access without authorization, tamper with, or facilitate unauthorized access to or tampering with an electronic voting system, electromechanical voting equipment, or an election night reporting system before, during, or after any election required by law.

(b) A person may not knowingly publish or cause to be published passwords or other confidential information relating to an electronic voting system. In addition to any other remedies and penalties provided by this section, the secretary of state, county auditor, or municipal clerk must immediately revoke any authorized access rights of a person found to be in violation of this paragraph.

Subd. 7. **Tampering with ballot box.** A person may not willfully tamper with or open a ballot box, including a ballot drop box, except for the purpose of conducting official duties as expressly authorized by law.

Subd. 8. **Tampering with statewide voter registration system, registration list, or polling place roster.** Except for the purpose of conducting official duties, a person may not engage in any of the following, with an intention to procure or prevent the election of any person, or to prevent any voter from voting:

(1) mutilate, change, or erase any name, figure, or word in the statewide voter registration system;

(2) mutilate, change, erase, or destroy any part of a registration list or polling place roster, including any name, figure, or word on the list or roster; or

(3) remove any part of a registration list or polling place roster from the place where it has been deposited.

Subd. 9. **Unauthorized access to statewide voter registration system.** A person may not knowingly access, or attempt to access, the statewide voter registration system except for the purpose of conducting official duties as expressly authorized by law.

Subd. 10. **Vicarious liability; conspiracy.** A person may be held vicariously liable for any damages resulting from the violation of this section and may be identified in an order restraining violations of this section if that person:

(1) intentionally aids, advises, hires, counsels, abets, incites, compels, or coerces a person to violate any provision of this section or attempts to aid, advise, hire, counsel, abet, incite, compel, or coerce a person to violate any provision of this section; or

(2) conspires, combines, agrees, or arranges with another to either commit a violation of this section or aid, advise, hire, counsel, abet, incite, compel, or coerce a third person to violate any provision of this section.

Subd. 11. **Criminal penalties; civil remedies.** (a) Except as otherwise provided, a person who violates this section is guilty of a gross misdemeanor.

(b) The attorney general, a county attorney, or an election official may bring a civil action to prevent or restrain a violation of this section if there is a reasonable basis to believe that an individual or entity is committing or intends to commit a prohibited act.

(c) The attorney general, or an election official injured by an act prohibited by this section, may bring a civil action pursuant to section 8.31 to recover damages, together with costs of investigation and reasonable attorney fees, and receive other equitable relief as determined by the court. An action brought by an election official under section 8.31, subdivision 3a, is in the public interest. In addition to all other damages, the court may impose a civil penalty of up to \$1,000 for each violation.

(d) Civil remedies allowable under this section are cumulative and do not restrict any other right or remedy otherwise available. An action for a penalty or remedy under this section must be brought within two years of the date the violation is alleged to have occurred. The complaint process provided in sections 211B.31 to 211B.36 does not apply to violations of this section.

EFFECTIVE DATE. This section is effective June 15, 2023, and applies to violations occurring on or after that date.

Sec. 129. Minnesota Statutes 2022, section 211B.11, subdivision 1, is amended to read:

Subdivision 1. **Soliciting near polling places.** (a) A person ~~may not display campaign material, post signs,~~ must not:

(1) ask, solicit, or in any manner try to induce or persuade a voter to vote for or refrain from voting for a candidate or ballot question; or

(2) wear, exhibit, or distribute any item that displays:

(i) the name, likeness, logo, or slogan of a candidate who appears on the ballot;

(ii) the number, title, subject, slogan, or logo of a ballot question that appears on the ballot; or

(iii) the name, logo, or slogan of a political party represented by a candidate on the ballot.

For purposes of this paragraph, "item" includes pamphlets, advertisements, flyers, signs, banners, stickers, buttons, badges, pencils, pens, shirts, hats, or any similar item.

(b) The prohibitions in paragraph (a) apply during voting hours:

(1) throughout the absentee and early voting periods:

(i) within a polling place; and

(ii) within 100 feet of the room in which a polling place is situated, to the extent practicable; and

(2) on the day of a primary or general election:

(i) within a polling place ~~or~~;

(ii) within 100 feet of the building in which a polling place is situated, ~~or~~; and

~~(iii) anywhere on the public property on which a polling place is situated, on primary or election day to vote for or refrain from voting for a candidate or ballot question. A person may not provide political badges, political buttons, or other political insignia to be worn at or about the polling place on the day of a primary or election. A political badge, political button, or other political insignia may not be worn at or about the polling place on primary or election day. This section applies to areas established by the county auditor or municipal clerk for absentee voting as provided in chapter 203B.~~

(c) Nothing in this subdivision prohibits the distribution of "I VOTED" stickers as provided in section 204B.49.

EFFECTIVE DATE. This section is effective June 15, 2023.

Sec. 130. Minnesota Statutes 2022, section 211B.15, subdivision 8, is amended to read:

Subd. 8. **Permitted activity; political party.** It is not a violation of this section for a political party, as defined in section 200.02, subdivision 7 6, to form a nonprofit corporation for the sole purpose of holding real property to be used exclusively as the party's headquarters.

Sec. 131. Minnesota Statutes 2022, section 211B.20, subdivision 1, is amended to read:

Subdivision 1. **Prohibition.** (a) It is unlawful for a person, either directly or indirectly, to deny access to an apartment house, dormitory, nursing home, manufactured home park, other multiple unit facility used as a residence, or an area in which two or more single-family dwellings are located on private roadways to a candidate who has:

- (1) organized a campaign committee under applicable federal or state law;
- (2) filed a financial report as required by section 211A.02; or
- (3) filed an affidavit of candidacy for elected office.

A candidate granted access under this section must be allowed to be accompanied by campaign volunteers.

(b) Access to a facility or area is only required if it is located within the district or territory that will be represented by the office to which the candidate seeks election, and the candidate and any accompanying campaign volunteers seek access exclusively for the purpose of campaigning for a candidate or registering voters. The candidate must be seeking election to office at the next general or special election to be held for that office.

(c) A candidate and any accompanying campaign volunteers granted access under this section must be permitted to knock on the doors of individual units to speak with residents, and to leave campaign materials for residents at their doors, except that the manager of a nursing home may direct that the campaign materials be left at a central location within the facility. The campaign materials must be left in an orderly manner.

(d) If a facility or area contains multiple buildings, a candidate and accompanying volunteers must be permitted to access more than one building on a single visit, but access is limited to only one building at a time. If multiple candidates are traveling together, each candidate and that candidate's accompanying volunteers is limited to one building at a time, but all of the candidates and accompanying volunteers traveling together must not be restricted to accessing the same building at the same time.

(e) A violation of this section is a petty misdemeanor.

Sec. 132. Minnesota Statutes 2022, section 211B.32, subdivision 1, as amended by Laws 2023, chapter 34, article 2, section 3, is amended to read:

Subdivision 1. **Administrative remedy; exhaustion.** (a) Except as provided in paragraphs (b) and (c), a complaint alleging a violation of chapter 211A or 211B must be filed with the office. The complaint must be finally disposed of by the office before the alleged violation may be prosecuted by a county attorney.

(b) Complaints arising under those sections and related to those individuals and associations specified in section 10A.022, subdivision 3, must be filed with the Campaign Finance and Public Disclosure Board.

(c) Violations of ~~section~~ sections 211B.075 and 211B.076 may be enforced as provided in ~~that section~~ those sections.

EFFECTIVE DATE. This section is effective June 15, 2023, and applies to violations occurring on or after that date.

Sec. 133. Minnesota Statutes 2022, section 367.03, subdivision 6, is amended to read:

Subd. 6. **Vacancies.** (a) When a vacancy occurs in a town office, the town board shall fill the vacancy by appointment. Except as provided in paragraph (b), the person appointed shall hold office until the next annual town election, when a successor shall be elected for the unexpired term.

(b) When a vacancy occurs in a town office:

(1) with more than one year remaining in the term; and

(2) on or after the 14th day before the first day to file an affidavit of candidacy for the town election;

the vacancy must be filled by appointment. The person appointed serves until the next annual town election following the election for which affidavits of candidacy are to be filed, when a successor shall be elected for the unexpired term.

(c) A vacancy in the office of supervisor must be filled by an appointment committee comprised of the remaining supervisors and the town clerk.

(d) Any person appointed to fill the vacancy in the office of supervisor must, upon assuming the office, be an eligible voter, be 21 years of age, and have ~~resided~~ maintained residence in the town for at least 30 days.

(e) When, because of a vacancy, more than one supervisor is to be chosen at the same election, candidates for the offices of supervisor shall file for one of the specific terms being filled.

(f) When, for any reason, the town board or the appointment committee fails to fill a vacancy in the position of an elected town officer by appointment, a special election may be called. To call a special election, the supervisors and town clerk, or any two of them together with at least 12 other town freeholders, must file a statement in the town clerk's office. The statement must tell why the election is called and that the interests of the town require the election. When the town board or the appointment committee fails to fill a vacancy by appointment, a special town election may also be called on petition of 20 percent of the electors of the town. The percentage is of the number of voters at the last general election. A special town election must be conducted in the manner required for the annual town election.

(g) Law enforcement vacancies must be filled by appointment by the town board.

Sec. 134. Minnesota Statutes 2022, section 447.32, subdivision 4, is amended to read:

Subd. 4. Candidates; ballots; certifying election. A person who wants to be a candidate for the hospital board shall file an affidavit of candidacy for the election either as member at large or as a member representing the city or town where the candidate ~~resides~~ maintains residence. The affidavit of candidacy must be filed with the city or town clerk not more than 98 days nor less than 84 days before the first Tuesday after the first Monday in November of the year in which the general election is held. The city or town clerk must forward the affidavits of candidacy to the clerk of the hospital district or, for the first election, the clerk of the most populous city or town immediately after the last day of the filing period. A candidate may withdraw from the election by filing an affidavit of withdrawal with the clerk of the district no later than 5:00 p.m. two days after the last day to file affidavits of candidacy.

Voting must be by secret ballot. The clerk shall prepare, at the expense of the district, necessary ballots for the election of officers. Ballots must be prepared as provided in the rules of the secretary of state. The ballots must be marked and initialed by at least two judges as official ballots and used exclusively at the election. Any proposition to be voted on may be printed on the ballot provided for the election of officers. The hospital board may also authorize the use of voting systems subject

to chapter 206. Enough election judges may be appointed to receive the votes at each polling place. The election judges shall act as clerks of election, count the ballots cast, and submit them to the board for canvass.

After canvassing the election, the board shall issue a certificate of election to the candidate who received the largest number of votes cast for each office. The clerk shall deliver the certificate to the person entitled to it in person or by certified mail. Each person certified shall file an acceptance and oath of office in writing with the clerk within 30 days after the date of delivery or mailing of the certificate. The board may fill any office as provided in subdivision 1 if the person elected fails to qualify within 30 days, but qualification is effective if made before the board acts to fill the vacancy.

Sec. 135. Laws 2023, chapter 34, article 2, section 1, is amended to read:

Section 1. 204B.295 VOTING INSTRUCTIONS AND SAMPLE BALLOTS IN LANGUAGES OTHER THAN ENGLISH; MULTILINGUAL ELECTION JUDGES.

Subdivision 1. **Duty.** The secretary of state or county auditor must contract with a translator certified by the American Translators Association to develop voting instructions and sample ballots in languages other than English, to be made available in polling places during elections as required by this section. At a minimum, ~~the secretary of state must prepare voting instructions and sample ballots must be prepared and made~~ make the instructions available in polling places in the three most commonly spoken non-English languages in the state as determined by the state demographer for the previous calendar year. The secretary of state must ~~provide sample ballots in print and electronic formats,~~ prepare and provide example ballots to county auditors and post voting instructions in print, electronic, and audio-visual formats, on the secretary of state's website in at least the three most commonly spoken non-English languages in the state as determined by the state demographer for the previous calendar year.

Subd. 2. **Designation of language minority districts.** No later than 90 days before an election, the secretary of state or county auditor, in consultation with the state demographer, must determine the percentage of residents in each census tract who are members of a language minority and who lack sufficient skills in English to vote without assistance. Language minority districts will be designated if three percent or more of the population in a corresponding census tract speak English "less than very well" according to the most recent census data.

Subd. 3. **Translation required; interpreter required.** (a) If the number of residents determined under subdivision 2 equals three percent or more of a census tract, or if interested citizens or organizations provide information that gives the secretary of state or county auditor sufficient reason to believe a need exists, at least two copies of the translated voting instructions and sample ~~ballot~~ ballots must be provided to each precinct in that district during any regular or special state ~~or local~~ election conducted in that district.

(b) If the number of residents determined under subdivision 2 equals 20 percent or more of the population of a census tract, or if interested citizens or organizations provide information that gives the secretary of state or county auditor sufficient reason to believe a need exists, at least four copies of the translated voting instructions and sample ~~ballot~~ ballots must be provided to each precinct in that district during any regular or special state ~~or local~~ election conducted in that district. In these

precincts, the county auditor or municipal clerk must appoint at least one interpreter to translate in a specified language if ten or more registered voters in the precinct file a request for interpretive services for that language with the secretary of state or county auditor at least 30 days prior to the date of the election. This interpreter must wear a name tag or other badge indicating the interpreter's language certification. For purposes of section 204C.06 and any other applicable law, an interpreter appointed under this section is considered an election official and may be present in a polling place for the purpose of conducting duties assigned by the county auditor or municipal clerk.

Subd. 4. **Use of materials; notice required.** The translated voting instructions and sample ballots required by this section must be made available for use by voters as a reference when completing and casting an official ballot. In addition to the number of copies required, at least one ~~sample ballot~~ and set of instructions in each applicable language, along with a notice written in that language indicating the availability of those materials, must be posted in a conspicuous location in each polling place.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to elections conducted on or after that date.

Sec. 136. **SECRETARY OF STATE VOTING STUDY.**

Subdivision 1. Study requirements. (a) The secretary of state must conduct a study of issues related to voter engagement, education, and improvements to the election system, which can include but is not limited to assessing ranked choice voting. In conducting the study the secretary of state must consult, at a minimum:

(1) officials with experience administering elections in counties, cities, and towns, including those in the seven-county metropolitan area and those outside of the seven-county metropolitan area, and may include those with experience implementing ranked choice voting;

(2) members of each of the following:

(i) the Minnesota Council on Latino Affairs;

(ii) the Council for Minnesotans of African Heritage;

(iii) the Council on Asian Pacific Minnesotans;

(iv) the Indian Affairs Council; and

(v) the Council on LGBTQIA2S+ Minnesotans;

(3) organizations that represent individuals with disabilities, including the Minnesota Council on Disability and the Minnesota Commission of the Deaf, DeafBlind, and Hard of Hearing;

(4) organizations that represent new Americans; seniors; low-income individuals; Black, Indigenous, or people of color; and residents of greater Minnesota;

(5) community organizations with demonstrated experience and interest in voting methods and elections administration; and

(6) the chairs and ranking minority members of the legislative committees with jurisdiction over state government finance and elections finance and policy.

(b) In addition to the consultation required by paragraph (a), the secretary of state must provide opportunities for public input and comment, which may include facilitated listening sessions, town hall meetings, or other similar methods of community engagement.

Subd. 2. **Elections officials and administrators.** The study must review existing elections systems and procedures and their compatibility with the topics of the study. The secretary must prioritize consultation with officials with experience implementing elections in counties, cities, and towns, as identified in subdivision 1, paragraph (a), clause (1).

Subd. 3. **Community input and engagement.** The study must review impacts of any election systems changes on the experience of voters, including impacts on historically underserved communities and the communities identified in subdivision 1, paragraph (a), clause (4). The secretary of state must prioritize consultation with the communities and groups identified in subdivision 1, paragraph (a), clauses (2) to (4), and must provide opportunities for public input as required by subdivision 1, paragraph (b).

Subd. 4. **Report.** The secretary of state must provide an interim report and a final report describing the secretary's work to the chairs and ranking minority members of the legislative committees with jurisdiction over state government finance and elections policy and finance. The reports must include:

(1) findings related to voter-facing issues, voter engagement and education, and technical aspects of implementing ranked choice voting; and

(2) draft legislation, if any, to supplement the study's findings.

Subd. 5. **Completion of report.** The interim report required by subdivision 4 must be submitted no later than February 1, 2025. The final report required by subdivision 4 must be submitted no later than June 30, 2025.

Sec. 137. **EARLY VOTING CERTIFICATION.**

The secretary of state must certify to the revisor of statutes that the statewide voter registration system has been tested and shown to properly allow for tracking of the information required to conduct early voting and can handle the expected volume of use. As used in this article, "early voting certification" means the certification required by this section.

Sec. 138. **REPEALER.**

Subdivision 1. **Ballot order; partisan candidates.** Minnesota Statutes 2022, section 204D.04, subdivision 1, is repealed.

Subd. 2. **Absentee voting.** Minnesota Statutes 2022, section 203B.081, subdivision 2, is repealed effective June 1, 2023.

Subd. 3. **Caucus participation.** Minnesota Statutes 2022, section 202A.16, subdivisions 1, 2, and 3, are repealed.

ARTICLE 5

CAMPAIGN FINANCE

Section 1. Minnesota Statutes 2022, section 10A.01, subdivision 5, is amended to read:

Subd. 5. **Associated business.** (a) "Associated business" means an association, corporation, partnership, limited liability company, limited liability partnership, or other organized legal entity from which the individual or the individual's spouse receives compensation in excess of \$250, except for actual and reasonable expenses, in any month during the reporting period as a director, officer, owner, member, partner, employer or employee, or whose securities the individual or the individual's spouse holds worth more than \$10,000 at fair market value.

(b) Associated business also means a lobbyist, principal, or interested person by whom the individual is compensated in excess of \$250, except for actual and reasonable expenses, in any month for providing services as an independent contractor or consultant. If an individual is compensated by a person or association for providing services to a lobbyist, principal, or interested person, associated business includes both the person or association that pays the compensation and the lobbyist, principal, or interested person to whom the services are provided.

(c) "Interested person" means a person or a representative of a person or association that has a direct financial interest in a decision that the individual receiving the compensation is authorized to make as a public or local official or will be authorized to make if the individual becomes a public or local official. To be direct, the financial interest of the person or association paying the compensation to the individual must be of greater consequence to the payer than the general interest of other residents or taxpayers of the individual's governmental unit.

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

Sec. 2. Minnesota Statutes 2022, section 10A.01, is amended by adding a subdivision to read:

Subd. 12a. **Designated lobbyist.** "Designated lobbyist" means the lobbyist responsible for reporting the lobbying disbursements and activity of the entity the lobbyist represents.

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

Sec. 3. Minnesota Statutes 2022, section 10A.01, is amended by adding a subdivision to read:

Subd. 17d. **General lobbying category.** "General lobbying category" means an area of interest for lobbying for an entity that is on a list of categories specified by the board.

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

Sec. 4. Minnesota Statutes 2022, section 10A.01, is amended by adding a subdivision to read:

Subd. 19a. Legislative action. "Legislative action" means any of the following:

(1) the development of prospective legislation, including the development of amendment language to prospective legislation;

(2) the review, modification, adoption, or rejection by a member of the legislature or an employee of the legislature, if applicable, of any (i) bill, (ii) amendment, (iii) resolution, (iv) confirmation considered by the legislature, or (v) report;

(3) the development of, in conjunction with a constitutional officer, prospective legislation or a request for support or opposition to introduced legislation; and

(4) the action of the governor in approving or vetoing any act of the legislature or portion of an act of the legislature.

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

Sec. 5. Minnesota Statutes 2022, section 10A.01, subdivision 21, is amended to read:

Subd. 21. Lobbyist. (a) "Lobbyist" means an individual:

(1) engaged for pay or other consideration of more than \$3,000 from all sources in any year:

(i) for the purpose of attempting to influence legislative or administrative action, or the official action of a ~~metropolitan governmental unit~~ political subdivision, by communicating or urging others to communicate with public or local officials; or

(ii) from a business whose primary source of revenue is derived from facilitating government relations or government affairs services ~~between two third parties~~ if the individual's job duties include offering direct or indirect consulting or advice that helps the business provide those services to clients; or

(2) who spends more than ~~\$250~~ \$3,000 of the individual's personal funds, not including the individual's own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action, or the official action of a ~~metropolitan governmental unit~~ political subdivision, by communicating or urging others to communicate with public or local officials.

(b) "Lobbyist" does not include:

(1) a public official;

(2) an employee of the state, including an employee of any of the public higher education systems;

(3) an elected local official;

(4) a nonelected local official or an employee of a political subdivision acting in an official capacity, unless the nonelected official or employee of a political subdivision spends more than 50 hours in any month attempting to influence legislative or administrative action, or the official action of a ~~metropolitan governmental unit~~ political subdivision other than the political subdivision employing the official or employee, by communicating or urging others to communicate with public or local officials, including time spent monitoring legislative or administrative action, or the official action of a metropolitan governmental unit political subdivision, and related research, analysis, and compilation and dissemination of information relating to legislative or administrative policy in this state, or to the policies of ~~metropolitan governmental units~~ political subdivisions;

(5) a party or the party's representative appearing in a proceeding before a state board, commission, or agency of the executive branch unless the board, commission, or agency is taking administrative action;

(6) an individual while engaged in selling goods or services to be paid for by public funds;

(7) a news medium or its employees or agents while engaged in the publishing or broadcasting of news items, editorial comments, or paid advertisements which directly or indirectly urge official action;

(8) a paid expert witness whose testimony is requested by the body before which the witness is appearing, but only to the extent of preparing or delivering testimony; or

(9) a party or the party's representative appearing to present a claim to the legislature and communicating to legislators only by the filing of a claim form and supporting documents and by appearing at public hearings on the claim.

(c) An individual who volunteers personal time to work without pay or other consideration on a lobbying campaign, and who does not spend more than the limit in paragraph (a), clause (2), need not register as a lobbyist.

(d) An individual who provides administrative support to a lobbyist and whose salary and administrative expenses attributable to lobbying activities are reported as lobbying expenses by the lobbyist, but who does not communicate or urge others to communicate with public or local officials, need not register as a lobbyist.

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

Sec. 6. Minnesota Statutes 2022, section 10A.01, subdivision 26, is amended to read:

Subd. 26. **Noncampaign disbursement.** (a) "Noncampaign disbursement" means a purchase or payment of money or anything of value made, or an advance of credit incurred, or a donation in kind received, by a principal campaign committee for any of the following purposes:

(1) payment for accounting and legal services related to operating the candidate's campaign committee, serving in office, or security for the candidate or the candidate's immediate family, including but not limited to seeking and obtaining a harassment restraining order;

(2) return of a contribution to the source;

- (3) repayment of a loan made to the principal campaign committee by that committee;
- (4) return of a public subsidy;
- (5) payment for food, beverages, and necessary utensils and supplies, entertainment, and facility rental for a fundraising event;
- (6) services for a constituent by a member of the legislature or a constitutional officer in the executive branch as provided in section 10A.173, subdivision 1;
- (7) payment for food and beverages consumed by a candidate or volunteers while they are engaged in campaign activities;
- (8) payment for food or a beverage consumed while attending a reception or meeting directly related to legislative duties;
- (9) payment of expenses incurred by elected or appointed leaders of a legislative caucus in carrying out their leadership responsibilities;
- (10) payment by a principal campaign committee of the candidate's expenses for serving in public office, other than for personal uses;
- (11) costs of child care for the candidate's children when campaigning;
- (12) fees paid to attend a campaign school;
- (13) costs of a postelection party during the election year when a candidate's name will no longer appear on a ballot or the general election is concluded, whichever occurs first;
- (14) interest on loans paid by a principal campaign committee on outstanding loans;
- (15) filing fees;
- (16) post-general election holiday or seasonal cards, thank-you notes, or advertisements in the news media mailed or published prior to the end of the election cycle;
- (17) the cost of campaign material purchased to replace defective campaign material, if the defective material is destroyed without being used;
- (18) contributions to a party unit;
- (19) payments for funeral gifts or memorials;
- (20) the cost of a magnet less than six inches in diameter containing legislator contact information and distributed to constituents;
- (21) costs associated with a candidate attending a political party state or national convention in this state;

(22) other purchases or payments specified in board rules or advisory opinions as being for any purpose other than to influence the nomination or election of a candidate or to promote or defeat a ballot question;

(23) costs paid to a third party for processing contributions made by a credit card, debit card, or electronic check;

(24) costs paid by a candidate's principal campaign committee to support the candidate's participation in a recount of ballots affecting the candidate's election;

(25) a contribution to a fund established to support a candidate's participation in a recount of ballots affecting that candidate's election;

~~(25)~~ (26) costs paid by a candidate's principal campaign committee for a single reception given in honor of the candidate's retirement from public office after the filing period for affidavits of candidacy for that office has closed;

~~(26)~~ (27) a donation from a terminating principal campaign committee to the state general fund;

~~(27)~~ (28) a donation from a terminating principal campaign committee to a county obligated to incur special election expenses due to that candidate's resignation from state office; ~~and~~

~~(28)~~ (29) during a period starting January 1 in the year following a general election and ending on December 31 of the year of general election, total payments of up to \$3,000 for detection-related security monitoring expenses for a candidate, including home security hardware, maintenance of home security monitoring hardware, identity theft monitoring services, and credit monitoring services; and

(30) costs paid to repair or replace campaign property that was: (i) lost or stolen, or (ii) damaged or defaced to such a degree that the property no longer serves its intended purpose. For purposes of this clause, campaign property includes but is not limited to campaign lawn signs. The candidate must document the need for these costs in writing or with photographs.

(b) The board must determine whether an activity involves a noncampaign disbursement within the meaning of this subdivision.

(c) A noncampaign disbursement is considered to be made in the year in which the candidate made the purchase of goods or services or incurred an obligation to pay for goods or services.

Sec. 7. Minnesota Statutes 2022, section 10A.01, is amended by adding a subdivision to read:

Subd. 26b. **Official action of a political subdivision.** "Official action of a political subdivision" means any action that requires a vote or approval by one or more elected local officials while acting in their official capacity; or an action by an appointed or employed local official to make, to recommend, or to vote on as a member of the governing body, major decisions regarding the expenditure or investment of public money.

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

Sec. 8. Minnesota Statutes 2022, section 10A.01, subdivision 30, is amended to read:

Subd. 30. **Political party unit or party unit.** "Political party unit" or "party unit" means the state committee ~~or~~ the party organization within a house of the legislature, ~~congressional district, county, legislative district, municipality, or precinct~~ or any other party organization designated by the chair of the political party in an annual certification of party units provided to the board.

Sec. 9. Minnesota Statutes 2022, section 10A.01, is amended by adding a subdivision to read:

Subd. 35c. **Specific subject of interest.** "Specific subject of interest" means a particular topic or area of lobbying interest within a general lobbying category.

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

Sec. 10. Minnesota Statutes 2022, section 10A.01, is amended by adding a subdivision to read:

Subd. 37. **Virtual currency.** "Virtual currency" means any digital currency which is only available in an electronic form and not as a physical form of money. Virtual currency functions as a medium of exchange, units of account, or a store of value. Virtual currency includes cryptocurrencies. Virtual currency does not include currencies issued by a government.

Sec. 11. Minnesota Statutes 2022, section 10A.022, subdivision 3, is amended to read:

Subd. 3. **Investigation authority; complaint process.** (a) The board may investigate any alleged or potential violation of this chapter. The board may also investigate an alleged or potential violation of section 211B.04, 211B.12, or 211B.15 by or related to a candidate, treasurer, principal campaign committee, political committee, political fund, or party unit, as those terms are defined in this chapter. The board may only investigate an alleged violation if the board:

- (1) receives a written complaint alleging a violation;
- (2) discovers a potential violation as a result of an audit conducted by the board; or
- (3) discovers a potential violation as a result of a staff review.

(b) When the board investigates the allegations made in a written complaint and the investigation reveals other potential violations that were not included in the complaint, the board may investigate the potential violations not alleged in the complaint only after making a determination under paragraph (d) that probable cause exists to believe a violation that warrants a formal investigation has occurred.

(c) Upon receipt of a written complaint filed with the board, the board chair or another board member designated by the chair shall promptly make a determination as to whether the complaint alleges a prima facie violation. If a determination is made that the complaint does not allege a prima facie violation, the complaint shall be dismissed without prejudice and the complainant and the subject of the complaint must be promptly notified of the reasons the complaint did not allege a prima facie violation. The notice to the subject of the complaint must include a copy of the complaint. If the complainant files a revised complaint regarding the same facts and the same subject, the prima facie determination must be completed by a board member other than the member who made the initial determination and who does not support the same political party as the member who made the initial determination. The chair may order that the prima facie determination for any complaint

be made by the full board and must order that the prima facie determination for a complaint being submitted for the third time be made by the full board.

(d) If a determination is made that the complaint alleges a prima facie violation, the board shall, within ~~45~~ 60 days of the prima facie determination, make findings and conclusions as to whether probable cause exists to believe the alleged violation that warrants a formal investigation has occurred. Any party filing a complaint and any party against whom a complaint is filed must be given an opportunity to be heard by the board prior to the board's determination as to whether probable cause exists to believe a violation that warrants a formal investigation has occurred.

(e) Upon a determination by the board that probable cause exists to believe a violation that warrants a formal investigation has occurred, the board must undertake an investigation under subdivision 2 and must issue an order at the conclusion of the investigation, except that if the complaint alleges a violation of section 10A.25 or 10A.27, the board must either enter a conciliation agreement or make public findings and conclusions as to whether a violation has occurred and must issue an order within 60 days after the probable cause determination has been made. Prior to making findings and conclusions in an investigation, the board must offer the subject of the complaint an opportunity to answer the allegations of the complaint in writing and to appear before the board to address the matter. The deadline for action on a written complaint, including but not limited to issuance of a probable cause determination in accordance with paragraph (d), entering into a conciliation agreement, or issuance of public findings may be extended by majority vote of the board.

Sec. 12. Minnesota Statutes 2022, section 10A.025, subdivision 4, is amended to read:

Subd. 4. **Changes and corrections.** Material changes in information previously submitted and corrections to a report or statement must be reported in writing to the board within ten days following the date of the event prompting the change or the date upon which the person filing became aware of the inaccuracy. The change or correction must identify the form and the paragraph containing the information to be changed or corrected. A request from the board to a lobbyist to provide more detailed information about a specific subject of interest disclosed on a lobbyist disbursement report is a change or correction governed by this subdivision.

A person who willfully fails to report a material change or correction is subject to a civil penalty imposed by the board of up to \$3,000. A willful violation of this subdivision is a gross misdemeanor.

The board must send a written notice to any individual who fails to file a report required by this subdivision. If the individual fails to file the required report within ten business days after the notice was sent, the board may impose a late filing fee of \$25 per day up to \$1,000 starting on the 11th day after the notice was sent. The board may send an additional notice by certified mail to an individual who fails to file a report within ten business days after the first notice was sent by the board. The certified notice must state that if the individual does not file the requested report within ten business days after the certified notice was sent, the individual may be subject to a civil penalty for failure to file a report. An individual who fails to file a report required by this subdivision within ten business days after the certified notice was sent by the board is subject to a civil penalty imposed by the board of up to \$1,000.

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

Sec. 13. Minnesota Statutes 2022, section 10A.03, subdivision 2, is amended to read:

Subd. 2. **Form.** The board must prescribe a registration form, which must include:

(1) the name, address, and email address of the lobbyist;

(2) the principal place of business of the lobbyist;

(3) the name and address of each individual, association, political subdivision, or public higher education system, if any, by whom the lobbyist is retained or employed or on whose behalf the lobbyist appears;

(4) the website address of each association, political subdivision, or public higher education system identified under clause (3), if the entity maintains a website; ~~and~~

(5) a the general description of the subject or subjects lobbying categories on which the lobbyist expects to lobby; on behalf of a represented entity; and

(6) if the lobbyist lobbies on behalf of an association, the registration form must include the name and address of the officers and directors of the association.

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

Sec. 14. Minnesota Statutes 2022, section 10A.03, is amended by adding a subdivision to read:

Subd. 6. **General lobbying categories and specific subjects of interest.** A list of general lobbying categories and specific subjects of interest must be specified by the board and updated periodically based on public comment and information provided by lobbyists. The board must publish on its website the current list of general lobbying categories and specific subjects of interest. Chapter 14 and section 14.386 do not apply to the specification, publication, or periodic updates of the list of general lobbying categories and specific subjects of interest.

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

Sec. 15. Minnesota Statutes 2022, section 10A.04, subdivision 3, is amended to read:

Subd. 3. **Information to lobbyist.** ~~An employer or employee about~~ entity or lobbyist whose activities ~~a~~ are reported to the board by another lobbyist is required to ~~report~~ must provide the information required by subdivision 4 to the lobbyist no later than five days before the prescribed filing date.

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

Sec. 16. Minnesota Statutes 2022, section 10A.04, subdivision 4, is amended to read:

Subd. 4. **Content.** (a) A report under this section must include information the board requires from the registration form and the information required by this subdivision for the reporting period.

(b) A lobbyist must report the specific subjects of interest for an entity represented by the lobbyist on each report submitted under this section. A lobbyist must describe a specific subject of interest

in the report with enough information to show the particular issue of importance to the entity represented.

~~(b)~~ (c) A lobbyist must report the lobbyist's total disbursements on lobbying, separately listing lobbying to influence legislative action, lobbying to influence administrative action, and lobbying to influence the official actions of a metropolitan governmental unit, and a breakdown of disbursements for each of those kinds of lobbying into categories specified by the board, including but not limited to the cost of publication and distribution of each publication used in lobbying; other printing; media, including the cost of production; postage; travel; fees, including allowances; entertainment; telephone and telegraph; and other expenses. every state agency that had administrative action that the represented entity sought to influence during the reporting period. The lobbyist must report the specific subjects of interest for each administrative action and the revisor of statutes rule draft number assigned to the administrative rulemaking.

(d) A lobbyist must report every political subdivision that considered official action that the represented entity sought to influence during the reporting period. The lobbyist must report the specific subjects of interest for each action.

(e) A lobbyist must report general lobbying categories and up to four specific subjects of interest related to each general lobbying category on which the lobbyist attempted to influence legislative action during the reporting period. If the lobbyist attempted to influence legislative action on more than four specific subjects of interest for a general lobbying category, the lobbyist, in consultation with the represented entity, must determine which four specific subjects of interest were the entity's highest priorities during the reporting period and report only those four subjects.

(f) A lobbyist must report the Public Utilities Commission project name for each rate setting, power plant and powerline siting, or granting of certification of need before the Public Utilities Commission that the represented entity sought to influence during the reporting period.

~~(e)~~ (g) A lobbyist must report the amount and nature of each gift, item, or benefit, excluding contributions to a candidate, equal in value to \$5 or more, given or paid to any official, as defined in section 10A.071, subdivision 1, by the lobbyist or an employer or employee of the lobbyist. The list must include the name and address of each official to whom the gift, item, or benefit was given or paid and the date it was given or paid.

~~(d)~~ (h) A lobbyist must report each original source of money in excess of \$500 in any year used for the purpose of lobbying to influence legislative action, administrative action, or the official action of a metropolitan governmental unit political subdivision. The list must include the name, address, and employer, or, if self-employed, the occupation and principal place of business, of each payer of money in excess of \$500.

~~(e)~~ (i) ~~On the each report due June 15, the a lobbyist must provide a~~ disclose the general description of the subjects lobbying categories that were lobbied on in the previous 12 months reporting period.

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

Sec. 17. Minnesota Statutes 2022, section 10A.04, subdivision 6, is amended to read:

Subd. 6. **Principal reports.** (a) A principal must report to the board as required in this subdivision by March 15 for the preceding calendar year.

(b) ~~Except as provided in paragraph (d),~~ The principal must report the total amount, rounded to the nearest ~~\$20,000~~ \$9,000, spent by the principal during the preceding calendar year ~~to influence legislative action, administrative action, and the official action of metropolitan governmental units,~~ on each type of lobbying listed below:

(1) lobbying to influence legislative action;

(2) lobbying to influence administrative action, other than lobbying described in clause (3);

(3) lobbying to influence administrative action in cases of rate setting, power plant and powerline siting, and granting of certificates of need under section 216B.243; and

(4) lobbying to influence official action of a political subdivision.

(c) ~~Except as provided in paragraph (d),~~ For each type of lobbying listed in paragraph (b), the principal must report ~~under this subdivision~~ a total amount that includes:

(1) the portion of all direct payments for compensation and benefits paid by the principal to lobbyists in this state for that type of lobbying;

(2) the portion of all expenditures for advertising, mailing, research, consulting, surveys, expert testimony, studies, reports, analysis, compilation and dissemination of information, social media and public relations campaigns related to legislative action, administrative action, or the official action of metropolitan governmental units, and legal counsel used to support that type of lobbying in this state; and

(3) a reasonable good faith estimate of the portion of all salaries and administrative overhead expenses attributable to activities of the principal relating to efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units for that type of lobbying in this state.

(d) ~~A principal that must report spending to influence administrative action in cases of rate setting, power plant and powerline siting, and granting of certificates of need under section 216B.243 must report those amounts as provided in this subdivision, except that they must be reported separately and not included in the totals required under paragraphs (b) and (c).~~

(d) The principal must report disbursements made and obligations incurred that exceed \$2,000 for paid advertising used for the purpose of urging members of the public to contact public or local officials to influence official actions during the reporting period. Paid advertising includes the cost to boost the distribution of an advertisement on social media. The report must provide the date that the advertising was purchased, the name and address of the vendor, a description of the advertising purchased, and any specific subjects of interest addressed by the advertisement.

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

Sec. 18. Minnesota Statutes 2022, section 10A.04, subdivision 9, is amended to read:

Subd. 9. **Reporting by multiple lobbyists representing the same entity.** Clauses (1) to (6) apply when a single individual, association, political subdivision, or public higher education system is represented by more than one lobbyist.

(1) The entity must appoint one designated lobbyist to report lobbyist disbursements made by the entity. An entity represented by more than one lobbyist may only have one designated lobbyist at any given time. The designated lobbyist must indicate that status on the periodic reports of lobbyist disbursements.

(2) A reporting lobbyist may consent to report on behalf of one or more other lobbyists for the same entity, in which case, the other lobbyists are persons whose activities the reporting lobbyist must disclose and are subject to the disclosure requirements of subdivision 3. Lobbyist disbursement reports filed by a reporting lobbyist must include the names and registration numbers of the other lobbyists whose activities are included in the report.

(3) Lobbyists whose activities are accounted for by a reporting lobbyist are not required to file lobbyist disbursement reports.

(4) A lobbyist whose lobbying disbursements are provided to the board through a reporting lobbyist must supply all relevant information on disbursements to the reporting lobbyist no later than five days before the prescribed filing date.

(5) The reporting periods and due dates for a reporting lobbyist are those provided in subdivision 2. The late filing provisions in subdivision 5 apply to reports required by this subdivision.

(6) The reporting lobbyist must indicate the names and registration numbers of any lobbyists who did not provide their lobbying disbursements for inclusion in a report. The late filing provisions in subdivision 5 apply to lobbyists who fail to report information to the reporting lobbyist.

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

Sec. 19. Minnesota Statutes 2022, section 10A.05, is amended to read:

10A.05 LOBBYIST REPORT.

Within 30 days after each lobbyist filing date set by section 10A.04, the executive director of the board must publish the names of the lobbyists registered who were not previously reported, the names of the individuals, associations, political subdivisions, or public higher education systems whom they represent as lobbyists, the subject or subjects on which they are lobbying, and whether in each case they lobby to influence legislative action, administrative action, or the official action of a ~~metropolitan governmental unit~~ political subdivision.

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

Sec. 20. Minnesota Statutes 2022, section 10A.06, is amended to read:

10A.06 CONTINGENT FEES PROHIBITED.

No person may act as or employ a lobbyist for compensation that is dependent upon the result or outcome of any legislative or administrative action, or of the official action of a ~~metropolitan~~

~~governmental unit~~ political subdivision. A person who violates this section is guilty of a gross misdemeanor.

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

Sec. 21. Minnesota Statutes 2022, section 10A.071, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Gift" means money, real or personal property, a service, a loan, a forbearance or forgiveness of indebtedness, or a promise of future employment, that is given and received without the giver receiving consideration of equal or greater value in return.

(c) "Official" means a public official, an employee of the legislature, or a local official ~~of a metropolitan governmental unit~~.

(d) "Plaque" means a decorative item with an inscription recognizing an individual for an accomplishment.

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

Sec. 22. Minnesota Statutes 2022, section 10A.09, subdivision 5, is amended to read:

Subd. 5. **Form; general requirements.** (a) A statement of economic interest required by this section must be on a form prescribed by the board. Except as provided in subdivision 5b, the individual filing must provide the following information:

(1) the individual's name, address, occupation, and principal place of business;

(2) a listing of the name of each associated business and the nature of that association;

(3) a listing of all real property within the state, excluding homestead property, in which the individual or the individual's spouse holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the interest is valued in excess of \$2,500; or (ii) an option to buy, if the property has a fair market value of more than \$50,000;

(4) a listing of all real property within the state in which a partnership of which the individual or the individual's spouse is a member holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the individual's share of the partnership interest is valued in excess of \$2,500; or (ii) an option to buy, if the property has a fair market value of more than \$50,000. A listing under this clause or clause (3) must indicate the street address and the municipality or the section, township, range and approximate acreage, whichever applies, and the county in which the property is located;

(5) a listing of any investments, ownership, or interests in property connected with pari-mutuel horse racing in the United States and Canada, including a racehorse, in which the individual directly or indirectly holds a partial or full interest or an immediate family member holds a partial or full interest;

(6) a listing of the principal business or professional activity category of each business from which the individual or the individual's spouse receives more than \$250 in any month during the reporting period as an employee, if the individual or the individual's spouse has an ownership interest of 25 percent or more in the business;

(7) a listing of each principal business or professional activity category from which the individual or the individual's spouse received compensation of more than \$2,500 in the past 12 months as an independent contractor; ~~and~~

(8) a listing of the full name of each security with a value of more than \$10,000 owned in part or in full by the individual or the individual's spouse, at any time during the reporting period; and

(9) a listing of any contract, professional license, lease, or franchise that:

(i) is held by the individual or the individual's spouse or any business in which the individual has an ownership interest of 25 percent or more; and

(ii) is entered into with, or issued by, the government agency on which the individual serves as a public or local official.

(b) The business or professional categories for purposes of paragraph (a), clauses (6) and (7), must be the general topic headings used by the federal Internal Revenue Service for purposes of reporting self-employment income on Schedule C. This paragraph does not require an individual to report any specific code number from that schedule. Any additional principal business or professional activity category may only be adopted if the category is enacted by law.

(c) For the purpose of calculating the amount of compensation received from any single source in a single month, the amount shall include the total amount received from the source during the month, whether or not the amount covers compensation for more than one month.

(d) For the purpose of determining the value of an individual's interest in real property, the value of the property is the market value shown on the property tax statement.

(e) For the purpose of this section, "date of appointment" means the effective date of appointment to a position.

(f) For the purpose of this section, "accepting employment as a public official" means the effective date of the appointment to the position, as stated in the appointing authority's notice to the board.

(g) The listings required in paragraph (a), clauses (3) to (9), must not identify whether the individual or the individual's spouse is associated with or owns the listed item.

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

Sec. 23. Minnesota Statutes 2022, section 10A.09, is amended by adding a subdivision to read:

Subd. 5b. Form; exceptions for certain officials. (a) This subdivision applies to the following individuals:

(1) a supervisor of a soil and water conservation district;

(2) a manager of a watershed district; and

(3) a member of a watershed management organization as defined under section 103B.205, subdivision 13.

(b) Notwithstanding subdivision 5, paragraph (a), an individual listed in paragraph (a), must provide only the information listed below on a statement of economic interest:

(1) the individual's name, address, occupation, and principal place of business;

(2) a listing of any association, corporation, partnership, limited liability company, limited liability partnership, or other organized legal entity from which the individual receives compensation in excess of \$250, except for actual and reasonable expenses, in any month during the reporting period as a director, officer, owner, member, partner, employer, or employee;

(3) a listing of all real property within the state, excluding homestead property, in which the individual or the individual's spouse holds:

(i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the interest is valued in excess of \$2,500; or

(ii) an option to buy, if the property has a fair market value of more than \$50,000;

(4) a listing of all real property within the state in which a partnership of which the individual or the individual's spouse is a member holds:

(i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the individual's share of the partnership interest is valued in excess of \$2,500; or

(ii) an option to buy, if the property has a fair market value of more than \$50,000. A listing under this clause or clause (3) must indicate the street address and the municipality or the section, township, range and approximate acreage, whichever applies, and the county in which the property is located; and

(5) a listing of any contract, professional license, lease, or franchise that meets the following criteria:

(i) it is held by the individual or the individual's spouse or any business in which the individual has an ownership interest of 25 percent or more; and

(ii) it is entered into with, or issued by, the government agency on which the individual serves as a public or local official.

(c) The listings required in paragraph (b), clauses (3) to (5), must not identify whether the individual or the individual's spouse is associated with or owns the listed item.

(d) If an individual listed in paragraph (a) also holds a public official position that is not listed in paragraph (a), the individual must file a statement of economic interest that includes the information specified in subdivision 5, paragraph (a).

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

Sec. 24. Minnesota Statutes 2022, section 10A.121, subdivision 1, is amended to read:

Subdivision 1. **Permitted disbursements.** An independent expenditure political committee or fund, or a ballot question political committee or fund, may:

- (1) pay costs associated with its fundraising and general operations;
- (2) pay for communications that do not constitute contributions or approved expenditures;
- (3) make contributions to independent expenditure or ballot question political committees or funds;
- (4) make independent expenditures;
- (5) make expenditures to promote or defeat ballot questions;
- (6) return a contribution to its source;
- (7) for a political fund, record bookkeeping entries transferring the association's general treasury money allocated for political purposes back to the general treasury of the association; ~~and~~
- (8) for a political fund, return general treasury money transferred to a separate depository to the general depository of the association; and
- (9) make disbursements for electioneering communications.

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

Sec. 25. Minnesota Statutes 2022, section 10A.121, subdivision 2, is amended to read:

Subd. 2. **Penalty.** (a) An independent expenditure political committee ~~or~~ independent expenditure political fund, ballot question political committee, or ballot question political fund is subject to a civil penalty of up to four times the amount of the contribution or approved expenditure if it does the following:

- (1) makes a contribution to a candidate, local candidate, party unit, political committee, or political fund other than an independent expenditure political committee ~~or~~ an independent expenditure political fund, ballot question political committee, or ballot question political fund; or
- (2) makes an approved expenditure.

(b) No other penalty provided in law may be imposed for conduct that is subject to a civil penalty under this section.

Sec. 26. Minnesota Statutes 2022, section 10A.15, subdivision 3, is amended to read:

Subd. 3. **Deposit.** All contributions received by or on behalf of a candidate, principal campaign committee, political committee, political fund, or party unit must be ~~deposited in an~~ placed in a depository account designated "Campaign Fund of (name of candidate, committee, fund, or party unit)." All contributions must be deposited promptly upon receipt and, except for contributions received during the last three days of a reporting period as described in section 10A.20, must be deposited during the reporting period in which they were received. A contribution received during the last three days of a reporting period must be deposited within 72 hours after receipt and must be reported as received during the reporting period whether or not deposited within that period. A contribution must not be deposited in any other account prior to being deposited within a depository of the principal campaign committee, political committee, political fund, or party unit. However, a contribution may temporarily be held within a digital wallet or other account immediately after receipt if the recipient principal campaign committee, political committee, political fund, or party unit has sole ownership of that account. A candidate, principal campaign committee, political committee, political fund, or party unit may refuse to accept a contribution. A deposited contribution may be returned to the contributor within 90 days after deposit. A contribution deposited and not returned within 90 days after that deposit must be reported as accepted.

Sec. 27. Minnesota Statutes 2022, section 10A.15, subdivision 5, is amended to read:

Subd. 5. **Registration number on checks.** A contribution made to a candidate or local candidate by a lobbyist, political committee, political fund, or party unit must show the name of the lobbyist, political committee, political fund, or party unit and the number under which it is registered with the board.

Sec. 28. Minnesota Statutes 2022, section 10A.15, is amended by adding a subdivision to read:

Subd. 8. **Virtual currency contributions.** (a) A principal campaign committee, political committee, political fund, or party unit may accept a donation in kind in the form of virtual currency. Any virtual currency contribution must be made and received through a virtual currency payment processor based in the United States that is registered with the United States Department of Treasury and which utilizes protocols to verify the identity of the contributor for all contributions. The value of donated virtual currency is its fair market value at the time it is donated. The recipient of a virtual currency contribution must sell the virtual currency in exchange for United States currency within five business days after receipt.

(b) Any increase in the value of donated virtual currency after its donation, but before its conversion to United States currency, must be reported as a receipt that is not a contribution pursuant to section 10A.20, subdivision 3. Any decrease in the value of donated virtual currency after its donation, but before its conversion to United States currency, must be reported as an expenditure pursuant to section 10A.20, subdivision 3.

(c) A principal campaign committee, political committee, political fund, or party unit may not purchase goods or services with virtual currency.

Sec. 29. Minnesota Statutes 2022, section 10A.15, is amended by adding a subdivision to read:

Subd. 9. **Mobile payments.** (a) A principal campaign committee, political committee, political fund, or party unit may accept a contribution of money made using a mobile payment service or platform, a service that is dependent upon direct carrier billing, or a website.

(b) A principal campaign committee, political committee, political fund, or party unit may not solicit or accept a contribution made using a mobile payment service or platform that, to a potential contributor, displays only the name of an individual as the recipient or displays a name for the recipient that is not substantially similar to the name under which the recipient is registered with the board.

(c) A mobile payment contribution must be deposited pursuant to subdivision 3 before the funds received may be used to make an expenditure or disbursement other than payment of any processing fee charged for using the mobile payment service or platform.

Sec. 30. Minnesota Statutes 2022, section 10A.17, subdivision 5, is amended to read:

Subd. 5. **Penalty.** A person who violates subdivision 2 or 6 is subject to a civil penalty imposed by the board of up to \$1,000. A person who knowingly violates subdivision 3a or 4 or falsely claims that an expenditure was an independent expenditure is guilty of a gross misdemeanor and subject to a civil penalty imposed by the board of up to \$3,000.

Sec. 31. Minnesota Statutes 2022, section 10A.17, is amended by adding a subdivision to read:

Subd. 6. **Use of depository.** A political committee, political fund, principal campaign committee, or party unit may not expend money unless the expenditure or other disbursement is made using petty cash or a depository of that committee, fund, or party unit.

Sec. 32. Minnesota Statutes 2022, section 10A.20, subdivision 2a, is amended to read:

Subd. 2a. **Local election reports.** (a) This subdivision applies to a political committee, political fund, or political party unit that during a non-general election year:

(1) spends in aggregate more than \$200 to influence the nomination or election of local candidates;

(2) spends in aggregate more than \$200 to make independent expenditures on behalf of local candidates; or

(3) spends in aggregate more than \$200 to promote or defeat ballot questions defined in section 10A.01, subdivision 7, clause (2), (3), or (4).

(b) In addition to the reports required by subdivision 2, the entities listed in paragraph (a) must file the following reports in each non-general election year:

(1) a first-quarter report covering the calendar year through March 31, which is due April 14;

(2) a report covering the calendar year through May 31, which is due June 14;

(3) a pre-primary-election report due 15 days before the local primary election date specified in section 205.065;

- (4) a pre-general-election report due 42 days before the local general election; and
- (5) a pre-general-election report due ten days before a local general election.

The reporting obligations in this paragraph begin with the first report due after the reporting period in which the entity reaches the spending threshold specified in paragraph (a). The pre-primary report required under clause (3) is required for all entities required to report under paragraph (a), regardless of whether the candidate or issue is on the primary ballot or a primary is not conducted.

Sec. 33. Minnesota Statutes 2022, section 10A.20, subdivision 5, is amended to read:

Subd. 5. **Pre-election reports.** (a) Any loan, contribution, or contributions:

- (1) to a political committee or political fund from any one source totaling more than \$1,000;
- (2) to the principal campaign committee of a candidate for an appellate court judicial office totaling more than \$2,000;
- (3) to the principal campaign committee of a candidate for district court judge totaling more than \$400; or

(4) to the principal campaign committee of a candidate for constitutional office or for the legislature totaling more than 50 percent of the election segment contribution limit for the office, received between the last day covered in the last report before an election and the election must be reported to the board in the manner provided in paragraph (b).

(b) A loan, contribution, or contributions required to be reported to the board under paragraph (a) must be reported to the board either:

- (1) in person by the end of the next business day after its receipt; or
- (2) by electronic means sent ~~within 24 hours after its receipt~~ by the end of the next business day after its receipt.

(c) These loans and contributions must also be reported in the next required report.

(d) This notice requirement does not apply in a primary election to a candidate who is unopposed in the primary, in a primary election to a ballot question political committee or fund, or in a general election to a candidate whose name is not on the general election ballot. The board must post the report on its website by the end of the next business day after it is received.

(e) This subdivision does not apply to a ballot question or independent expenditure political committee or fund that has not met the registration threshold of section 10A.14, subdivision 1a. However, if a contribution that would be subject to this section triggers the registration requirement in section 10A.14, subdivision 1a, then both registration under that section and reporting under this section are required.

Sec. 34. Minnesota Statutes 2022, section 10A.20, subdivision 12, is amended to read:

Subd. 12. **Failure to file; late fees; penalty.** (a) If an individual or association fails to file a report required by this section or section 10A.202, the board may impose a late filing fee as provided in this subdivision.

(b) If an individual or association fails to file a report required by this section that is due January 31, the board may impose a late filing fee of \$25 per day, not to exceed \$1,000, commencing the day after the report was due.

(c) If an individual or association fails to file a report required by this section that is due before a primary or general election, subdivision 2, 2a, or 5, or by section 10A.202, the board may impose a late filing fee of \$50 per day, not to exceed \$1,000, commencing on the day after the date the statement was due, provided that if the total receipts received during the reporting period or total expenditure reportable under section 10A.202 exceeds \$25,000, then the board may impose a late filing fee of up to two percent of the amount that should have been reported, per day, commencing on the day after the report was due, not to exceed 100 percent of the amount that should have been reported.

(d) If an individual or association has been assessed a late filing fee under this subdivision during the prior four years, the board may impose a late filing fee of up to twice the amount otherwise authorized by this subdivision.

(e) Within ten business days after the report was due or receipt by the board of information disclosing the potential failure to file a report required by this section, the board must send notice by certified mail to an individual who fails to file a report within ten business days after the report was due that the individual or association may be subject to a civil penalty for failure to file the report. An individual who fails to file the report within seven days after the certified mail notice was sent by the board is subject to a civil penalty imposed by the board of up to \$1,000 in addition to the late filing fees imposed by this subdivision.

Sec. 35. [10A.201] ELECTIONEERING COMMUNICATIONS; DEFINITIONS.

Subdivision 1. **Definitions.** The terms defined in this section apply to this section and to section 10A.202.

Subd. 2. **Broadcast, cable, or satellite communication.** "Broadcast, cable, or satellite communication" means a communication that is publicly distributed by a television station, radio station, cable television system, or satellite system.

Subd. 3. **Can be received by 10,000 or more individuals.** (a) "Can be received by 10,000 or more individuals" means:

(1) in the case of a communication transmitted by an FM radio broadcast station or network, where the district lies entirely within the station's or network's protected or primary service contour, that the population of the district is 10,000 or more;

(2) in the case of a communication transmitted by an FM radio broadcast station or network, where a portion of the district lies outside of the protected or primary service contour, that the population of the part of the district lying within the station's or network's protected or primary service contour is 10,000 or more;

(3) in the case of a communication transmitted by an AM radio broadcast station or network, where the district lies entirely within the station's or network's most outward service area, that the population of the district is 10,000 or more;

(4) in the case of a communication transmitted by an AM radio broadcast station or network, where a portion of the district lies outside of the station's or network's most outward service area, that the population of the part of the district lying within the station's or network's most outward service area is 10,000 or more;

(5) in the case of a communication appearing on a television broadcast station or network, where the district lies entirely within the station's or network's Grade B broadcast contour, that the population of the district is 10,000 or more;

(6) in the case of a communication appearing on a television broadcast station or network, where a portion of the district lies outside of the Grade B broadcast contour:

(i) that the population of the part of the district lying within the station's or network's Grade B broadcast contour is 10,000 or more; or

(ii) that the population of the part of the district lying within the station's or network's broadcast contour, when combined with the viewership of that television station or network by cable and satellite subscribers within the district lying outside the broadcast contour, is 10,000 or more;

(7) in the case of a communication appearing exclusively on a cable or satellite television system, but not on a broadcast station or network, that the viewership of the cable system or satellite system lying within a district is 10,000 or more; or

(8) in the case of a communication appearing on a cable television network, that the total cable and satellite viewership within a district is 10,000 or more.

(b) Cable or satellite television viewership is determined by multiplying the number of subscribers within a district, or a part thereof, as appropriate, by the current average household size for Minnesota, as determined by the Bureau of the Census.

(c) A determination that a communication can be received by 10,000 or more individuals based on the application of the formula in this section shall create a rebuttable presumption that may be overcome by demonstrating that:

(1) one or more cable or satellite systems did not carry the network on which the communication was publicly distributed at the time the communication was publicly distributed; and

(2) applying the formula to the remaining cable and satellite systems results in a determination that the cable network or systems upon which the communication was publicly distributed could not be received by 10,000 individuals or more.

Subd. 4. **Direct costs of producing or airing electioneering communications.** "Direct costs of producing or airing electioneering communications" means:

(1) costs charged by a vendor, including studio rental time, staff salaries, costs of video or audio recording media, and talent; and

(2) the cost of airtime on broadcast, cable, or satellite radio and television stations, studio time, material costs, and the charges for a broker to purchase the airtime.

Subd. 5. **Disclosure date.** "Disclosure date" means:

(1) the first date on which an electioneering communication is publicly distributed, provided that the person making the electioneering communication has made one or more disbursements, or has executed one or more contracts to make disbursements, for the direct costs of producing or airing one or more electioneering communications aggregating in excess of \$10,000; or

(2) any other date during the same calendar year on which an electioneering communication is publicly distributed, provided that the person making the electioneering communication has made one or more disbursements, or has executed one or more contracts to make disbursements, for the direct costs of producing or airing one or more electioneering communications aggregating in excess of \$10,000 since the most recent disclosure date during that calendar year.

Subd. 6. **Electioneering communication.** (a) "Electioneering communication" means any broadcast, cable, or satellite communication that:

(1) refers to a clearly identified candidate for state office;

(2) is publicly distributed within 60 days before a general election for the office sought by the candidate; or within 30 days before a primary election, or a convention or caucus of a political party that has authority to nominate a candidate, for the office sought by the candidate, and the candidate referenced is seeking the nomination of that political party; and

(3) is targeted to the relevant electorate.

(b) A communication is not an electioneering communication if it:

(1) is publicly disseminated through a means of communication other than a broadcast, cable, or satellite television or radio station;

(2) appears in a news story, commentary, or editorial distributed through the facilities of any broadcast, cable, or satellite television or radio station, unless such facilities are owned or controlled by any political party, political committee, or candidate, provided that a news story distributed through a broadcast, cable, or satellite television or radio station owned or controlled by any political party, political committee, or candidate is not an electioneering communication if the news story meets the requirements described in Code of Federal Regulations, title 11, section 100.132(a) and (b);

(3) constitutes an expenditure or independent expenditure, provided that the expenditure or independent expenditure is required to be reported under this chapter;

(4) constitutes a candidate debate or forum, or that solely promotes such a debate or forum and is made by or on behalf of the person sponsoring the debate or forum; or

(5) is paid for by a candidate.

Subd. 7. **Identification.** "Identification" means, in the case of an individual, the individual's full name including first name, middle name or initial if available, and last name; mailing address; occupation; and name of the individual's employer and, in the case of a person who is not an individual, the person's name and principal place of business.

Subd. 8. **Individuals sharing or exercising direction or control.** "Individuals sharing or exercising direction or control" means officers, directors, executive directors or the equivalent, partners, and in the case of unincorporated organizations, owners, of the entity or person making the disbursement for the electioneering communication.

Subd. 9. **Publicly distributed.** "Publicly distributed" means aired, broadcast, cablecast, or otherwise disseminated through the facilities of a television station, radio station, cable television system, or satellite system.

Subd. 10. **Refers to a clearly identified candidate.** "Refers to a clearly identified candidate" means that the candidate's name, nickname, photograph, or drawing appears, or the identity of the candidate is otherwise apparent through an unambiguous reference such as "the governor," "your legislator," or "the incumbent," or through an unambiguous reference to the candidate's status as a candidate such as "the [political party] gubernatorial nominee" or "the [political party] candidate for senate."

Subd. 11. **Targeted to the relevant electorate.** "Targeted to the relevant electorate" means the communication can be received by 10,000 or more individuals:

(1) in the district the candidate seeks to represent, in the case of a candidate for representative, senator, or other office represented by district; or

(2) in the entire state, if the candidate seeks a statewide office.

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

Sec. 36. **[10A.202] ELECTIONEERING COMMUNICATION; REPORTING REQUIREMENTS.**

Subdivision 1. **Reports required.** Any person who has made an electioneering communication, as defined in section 10A.201, aggregating in excess of \$10,000 during any calendar year shall file a statement with the board no later than 11:59 p.m. on the day following the disclosure date. The statement shall be filed under penalty of perjury, and must contain the information set forth in subdivision 2. Political committees that make a communication described in section 10A.201 must report the communication as a campaign expenditure or independent expenditure as otherwise provided by this chapter and are not required to file a report under this section.

Subd. 2. **Content of report.** A statement of electioneering communications required by this section shall disclose the following information:

(1) the identification of the person who made the disbursement or who executed a contract to make a disbursement and, if the person is not an individual, the person's principal place of business;

(2) the identification of any individual sharing or exercising direction or control over the activities of the person who made the disbursement or who executed a contract to make a disbursement;

(3) the identification of the custodian of the books and accounts from which the disbursements were made;

(4) the amount of each disbursement, or amount obligated, of more than \$200 during the period covered by the statement, the date the disbursement was made or the contract was executed, and the identification of the person to whom that disbursement was made;

(5) all clearly identified candidates referred to in the electioneering communication and the elections in which they are candidates;

(6) the disclosure date;

(7) if the disbursements were paid exclusively from a segregated bank account consisting of funds provided solely by persons other than national banks, corporations organized by federal law or the laws of this state, or foreign nationals, the name and address of each donor who donated an amount aggregating \$1,000 or more to the segregated bank account, aggregating since the first day of the preceding calendar year;

(8) if the disbursements were not paid exclusively from a segregated bank account consisting of funds provided solely by persons other than national banks, corporations organized by federal law or the laws of this state, or foreign nationals, and were not made by a corporation or labor organization, the name and address of each donor who donated an amount aggregating \$1,000 or more to the person making the disbursement, aggregating since the first day of the preceding calendar year; and

(9) if the disbursements were made by a corporation or labor organization and were not paid exclusively from a segregated bank account consisting of funds provided solely by persons other than national banks, corporations organized by federal law or the laws of this state, or foreign nationals, the name and address of each person who made a donation aggregating \$1,000 or more to the corporation or labor organization, aggregating since the first day of the preceding calendar year, which was made for the purpose of furthering electioneering communications.

Subd. 3. **Recordkeeping.** All persons who make electioneering communications or who accept donations for the purpose of making electioneering communications must maintain records as necessary to comply with the requirements of this section.

Subd. 4. **Disclaimer required.** An electioneering communication must include a disclaimer in the same manner as required for campaign material under section 211B.04, subdivision 1, paragraph (c).

Subd. 5. **Late fees; failure to file; penalties.** A person who fails to file a report required by this section is subject to the late fees and penalties provided in section 10A.20, subdivision 12.

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

Sec. 37. Minnesota Statutes 2022, section 10A.244, is amended to read:

10A.244 VOLUNTARY INACTIVE STATUS; POLITICAL FUNDS.

Subdivision 1. **Election of voluntary inactive status.** An association that has a political fund registered under this chapter may elect to have the fund placed on voluntary inactive status if the following conditions are met:

(1) the association makes a written request for inactive status;

(2) the association has filed all periodic reports required by this chapter and has received no contributions into its political fund and made no expenditures or disbursements, including disbursements for electioneering communications, through its political fund since the last date included on the association's most recent report; and

(3) the association has satisfied all obligations to the state for late filing fees and civil penalties imposed by the board or the board has waived this requirement.

Subd. 2. **Effect of voluntary inactive status.** After an association has complied with the requirements of subdivision 1:

(1) the board must notify the association that its political fund has been placed in voluntary inactive status and of the terms of this section;

(2) the board must stop sending the association reports, forms, and notices of report due dates that are periodically sent to entities registered with the board;

(3) the association is not required to file periodic disclosure reports for its political fund as otherwise required under this chapter;

(4) the association may not accept contributions into its political fund and may not make expenditures, contributions, or disbursements, including disbursements for electioneering communications, through its political fund; and

(5) if the association maintains a separate depository account for its political fund, it may continue to pay bank service charges and receive interest paid on that account while its political fund is in inactive status.

Subd. 3. **Resumption of active status or termination.** (a) An association that has placed its political fund in voluntary inactive status may resume active status upon written notice to the board.

(b) A political fund placed in voluntary inactive status must resume active status within 14 days of the date that it has accepted contributions or made expenditures, contributions, or disbursements, including disbursements for electioneering communications, that aggregate more than \$750 since the political fund was placed on inactive status. If, after meeting this threshold, the association does not notify the board that its fund has resumed active status, the board may place the association's political fund in active status and notify the association of the change in status.

(c) An association that has placed its political fund in voluntary inactive status may terminate the registration of the fund without returning it to active status.

Subd. 4. **Penalty for financial activity while in voluntary inactive status.** If an association fails to notify the board of its political fund's resumption of active status under subdivision 3, the board may impose a civil penalty of \$50 per day, not to exceed \$1,000 commencing on the 15th calendar day after the fund resumed active status.

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

Sec. 38. Minnesota Statutes 2022, section 10A.25, subdivision 3a, is amended to read:

Subd. 3a. **Independent expenditures and electioneering communications.** The principal campaign committee of a candidate must not make independent expenditures or disbursements for electioneering communications. If the principal campaign committee of a candidate makes a contribution to an independent expenditure committee or independent expenditure fund on or after January 1 of the year the candidate's office will appear on the ballot, the independent expenditure committee or independent expenditure fund must not make an independent expenditure for that candidate.

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

Sec. 39. Minnesota Statutes 2022, section 10A.271, subdivision 1, is amended to read:

Subdivision 1. **Notice to contributors.** A political committee, political fund, political party unit, or principal campaign committee that raises funds through the sale of goods or services must disclose to potential customers that the proceeds from the purchase are a political contribution and to whom the contribution is made. If goods or services are sold in person, the notice ~~may~~ must be provided verbally at the time of purchase, or through the prominent display of a sign providing the notice ~~in immediate proximity to~~ within three feet of, and facing, the point of sale at the location where the goods or services are sold. If goods or services are sold using a website or other electronic means, the notice must be prominently displayed on the page used by potential customers to make a purchase or enter payment information.

Sec. 40. Minnesota Statutes 2022, section 10A.273, subdivision 1, is amended to read:

Subdivision 1. **Contributions during legislative session.** (a) A candidate for the legislature or for constitutional office, the candidate's principal campaign committee, or a political committee or party unit established by all or a part of the party organization within a house of the legislature, must not solicit or accept a contribution from a registered lobbyist, political committee, political fund, or an association not registered with the board during a regular session of the legislature.

(b) A registered lobbyist, political committee, political fund, or an association not registered with the board must not make a contribution to a candidate for the legislature or for constitutional office, the candidate's principal campaign committee, or a political committee or party unit established by all or a part of the party organization within a house of the legislature during a regular session of the legislature.

(c) Regardless of when made, a contribution made by a lobbyist, political committee, or political fund in order to attend an event that occurs during a regular session of the legislature and that is

held by the principal campaign committee of a candidate for the legislature or constitutional office, or by a political party organization within a body of the legislature, is a violation of this section.

(d) Regardless of when made, a contribution from a lobbyist, political committee, or political fund for membership or access to a facility operated during the regular session of the legislature by the principal campaign committee of a candidate for the legislature or constitutional office, or by a political party organization within a body of the legislature, is a violation of this section.

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

Sec. 41. Minnesota Statutes 2022, section 10A.275, subdivision 1, is amended to read:

Subdivision 1. **Exceptions.** Notwithstanding other provisions of this chapter, the following expenditures by a party unit, or two or more party units acting together, ~~with at least one party unit being either: the state committee or the party organization within a congressional district, county, or legislative district,~~ are not considered contributions to or expenditures on behalf of a candidate for the purposes of section 10A.25 or 10A.27 and must not be allocated to candidates under section 10A.20, subdivision 3, paragraph (h):

(1) expenditures on behalf of candidates of that party generally without referring to any of them specifically in a published, posted, or broadcast advertisement;

(2) expenditures for the preparation, display, mailing, or other distribution of an official party sample ballot listing the names of three or more individuals whose names are to appear on the ballot;

(3) expenditures for a telephone call, voice mail, text message, multimedia message, internet chat message, or email when the communication includes the names of three or more individuals whose names are to appear on the ballot;

(4) expenditures for a booth at a community event, county fair, or state fair that benefits three or more individuals whose names are to appear on the ballot;

~~(4)~~ (5) expenditures for a political party fundraising effort on behalf of three or more candidates;
or

~~(5)~~ (6) expenditures for party committee staff services that benefit three or more candidates.

Sec. 42. Minnesota Statutes 2022, section 10A.38, is amended to read:

10A.38 CAPTIONING OF CAMPAIGN ADVERTISEMENTS.

(a) This section applies to a campaign advertisement by a candidate who is governed by an agreement under section 10A.322.

(b) "Campaign advertisement" means a professionally produced visual or audio recording of two minutes or less produced by the candidate for the purpose of influencing the nomination or election of a candidate.

(c) A campaign advertisement that is disseminated as an advertisement by broadcast or cable television must include closed captioning for deaf and hard-of-hearing viewers, unless the candidate

has filed with the board before the advertisement is disseminated a statement setting forth the reasons for not doing so. A campaign advertisement that is disseminated as an advertisement to the public on the candidate's website must include closed captioning for deaf and hard-of-hearing viewers, unless the candidate has posted on the website a transcript of the spoken content of the advertisement or the candidate has filed with the board before the advertisement is disseminated a statement setting forth the reasons for not doing so. A campaign advertisement must not be disseminated as an advertisement by radio unless the candidate has posted on the candidate's website a transcript of the spoken content of the advertisement or the candidate has filed with the board before the advertisement is disseminated a statement setting forth the reasons for not doing so.

(d) A candidate who fails to comply with the requirements of paragraph (c) is subject to a civil penalty imposed by the board of up to \$1,000.

Sec. 43. Minnesota Statutes 2022, section 211B.15, subdivision 4a, as added by Laws 2023, chapter 34, article 3, section 4, is amended to read:

Subd. 4a. **Foreign-influenced corporations.** (a) Notwithstanding subdivisions 3 and 4, a foreign-influenced corporation must not:

(1) make an expenditure, or offer or agree to make an expenditure, to promote or defeat the candidacy of an individual for nomination, election, or appointment to a public office;

(2) make contributions or expenditures to promote or defeat a ballot question, or to qualify a question for placement on the ballot;

(3) make a contribution to a candidate for nomination, election, or appointment to a public office or to a candidate's principal campaign committee; or

(4) make a contribution to a political committee, political fund, or political party unit.

(b) A foreign-influenced corporation must not make a contribution or donation to any other person or entity with the express or implied condition that the contribution or donation or any part of it be used for any of the purposes prohibited by this subdivision. This section does not prohibit donations to any association for its general purposes such that the funds qualify as general treasury money pursuant to section 10A.01, subdivision 17c, nor does it impose any additional limitations on the use of such funds.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to contributions, expenditures, and other applicable activities occurring on or after that date.

Sec. 44. **REPEALER.**

Minnesota Rules, parts 4511.0100, subpart 1a; and 4511.0600, subpart 5, are repealed effective January 1, 2024.

ARTICLE 6**INFORMATION TECHNOLOGY AND CYBERSECURITY**

Section 1. Minnesota Statutes 2022, section 12.03, is amended by adding a subdivision to read:

Subd. 5e. **Information and telecommunications technology systems and services.** "Information and telecommunications technology systems and services" has the meaning given in section 16E.03, subdivision 1, paragraph (b).

Sec. 2. Minnesota Statutes 2022, section 12.03, is amended by adding a subdivision to read:

Subd. 5f. **Local government.** "Local government" has the meaning given in Code of Federal Regulations, title 44, section 206.2 (2012).

Sec. 3. Minnesota Statutes 2022, section 12.03, is amended by adding a subdivision to read:

Subd. 5g. **Cyber attack.** "Cyber attack" means the use of unauthorized or malicious code on an information system, or the use of another digital mechanism such as a denial of service or ransomware attack, to interrupt or disrupt the operations of an information system or compromise the confidentiality, availability, or integrity of electronic data stored on, processed by, or transiting an information system.

Sec. 4. Minnesota Statutes 2022, section 12.31, subdivision 2, is amended to read:

Subd. 2. **Declaration of peacetime emergency.** (a) The governor may declare a peacetime emergency. A peacetime declaration of emergency may be declared only when any of the following endangers life and property and local government resources are inadequate to handle the situation:

(1) an act of nature;

(2) a technological failure or malfunction;

(3) a terrorist incident;

(4) a cyber attack, including a physical or electronic attack on the state's information and telecommunications technology infrastructure, systems, or services;

(5) an industrial accident;

(6) a hazardous materials accident; or

(7) a civil disturbance endangers life and property and local government resources are inadequate to handle the situation.

If the peacetime emergency occurs on Indian lands, the governor or state director of emergency management shall consult with tribal authorities before the governor makes such a declaration. Nothing in this section shall be construed to limit the governor's authority to act without such consultation when the situation calls for prompt and timely action. When the governor declares a peacetime emergency, the governor must immediately notify the majority and minority leaders of

the senate and the speaker and majority and minority leaders of the house of representatives. A peacetime emergency must not be continued for more than five days unless extended by resolution of the Executive Council up to 30 days. An order, or proclamation declaring, continuing, or terminating an emergency must be given prompt and general publicity and filed with the secretary of state.

(b) By majority vote of each house of the legislature, the legislature may terminate a peacetime emergency extending beyond 30 days. If the governor determines a need to extend the peacetime emergency declaration beyond 30 days and the legislature is not sitting in session, the governor must issue a call immediately convening both houses of the legislature. Nothing in this section limits the governor's authority over or command of the National Guard as described in the Military Code, chapters 190 to 192A, and required by the Minnesota Constitution, article V, section 3.

Sec. 5. Minnesota Statutes 2022, section 12.36, is amended to read:

12.36 GOVERNOR'S POWERS TO FAST PROVIDE EMERGENCY AID.

(a) The governor, during an emergency or disaster and notwithstanding any other law, may:

(1) enter into contracts and incur obligations necessary to combat the disaster by protecting the health and safety of persons ~~and~~ the safety of property, and the safety of the state's information and telecommunications technology infrastructure, systems, or services, and by providing emergency assistance to the victims of the disaster; and

(2) exercise the powers vested by this subdivision in the light of the exigencies of the disaster without compliance with time-consuming procedures and formalities prescribed by law pertaining to:

(i) the performance of public work;

(ii) entering into contract;

(iii) incurring of obligations;

(iv) employment of temporary workers;

(v) rental of equipment;

(vi) purchase of supplies and materials, for example, but not limited to, publication of calls for bids;

(vii) provisions of the Civil Service Act and rules;

(viii) provisions relating to low bids; and

(ix) requirements for the budgeting and allotment of funds.

(b) All contracts must be in writing, executed on behalf of the state by the governor or a person delegated by the governor in writing so to do, and must be promptly filed with the commissioner

of management and budget, who shall forthwith encumber funds appropriated for the purposes of the contract for the full contract liability and certify thereon that the encumbrance has been made.

Sec. 6. Minnesota Statutes 2022, section 16E.01, subdivision 1a, is amended to read:

Subd. 1a. **Responsibilities.** The department shall provide oversight, leadership, and direction for information and telecommunications technology policy and the management, delivery, accessibility, and security of executive branch information and telecommunications technology systems and services in Minnesota. The department shall partner with executive branch state agencies to manage strategic investments in information and telecommunications technology systems and services to ensure sufficient access to and efficient delivery of accessible government services and to maximize benefits for the state government as an enterprise.

Sec. 7. Minnesota Statutes 2022, section 16E.01, is amended by adding a subdivision to read:

Subd. 1b. **Deputy; appointments.** The commissioner may appoint a deputy, assistant commissioners, and a confidential secretary. Each serves at the commissioner's pleasure in the unclassified service.

Sec. 8. Minnesota Statutes 2022, section 16E.01, subdivision 3, is amended to read:

Subd. 3. **Duties.** (a) The department shall:

(1) manage the efficient and effective use of available federal, state, local, and public-private resources to develop statewide information and telecommunications technology systems and services and its infrastructure;

(2) approve state agency and intergovernmental information and telecommunications technology systems and services development efforts involving state or intergovernmental funding, including federal funding, provide information to the legislature regarding projects reviewed, and recommend projects for inclusion in the governor's budget under section 16A.11;

(3) promote cooperation and collaboration among state and local governments in developing intergovernmental information and telecommunications technology systems and services;

(4) cooperate and collaborate with the legislative and judicial branches in the development of information and communications systems in those branches, as requested;

~~(5) continue the development of North Star, the state's official comprehensive online service and information initiative;~~

~~(6)~~ (5) promote and coordinate public information access and network initiatives, consistent with chapter 13, to connect Minnesota's citizens and communities to each other, to their governments, and to the world;

~~(7)~~ (6) manage and promote the regular and periodic reinvestment in the information and telecommunications technology systems and services infrastructure so that state and local government agencies can effectively and efficiently serve their customers;

~~(8)~~ (7) facilitate the cooperative development of and ensure compliance with standards and policies for information and telecommunications technology systems and services and electronic data practices and privacy within the executive branch;

~~(9)~~ (8) eliminate unnecessary duplication of existing information and telecommunications technology systems and services provided by state agencies;

~~(10)~~ (9) identify, sponsor, develop, and execute shared information and telecommunications technology projects and ongoing operations;

~~(11)~~ (10) ensure overall security of the state's information and technology systems and services; and

~~(12)~~ (11) manage and direct compliance with accessibility standards for informational technology, including hardware, software, websites, online forms, and online surveys.

(b) The chief information officer, in consultation with the commissioner of management and budget, must determine when it is cost-effective for agencies to develop and use shared information ~~and telecommunications~~ technology systems, platforms, and services for the delivery of ~~electronic digital~~ government services. The chief information officer may require agencies to use shared information and telecommunications technology systems and services. The chief information officer shall establish reimbursement rates in cooperation with the commissioner of management and budget to be billed to agencies and other governmental entities sufficient to cover the actual development, operating, maintenance, and administrative costs of the shared systems. The methodology for billing may include the use of interagency agreements, or other means as allowed by law.

(c) A state agency that has an information and telecommunications technology project, whether funded as part of the biennial budget or by any other means, shall register with the department by submitting basic project startup documentation as specified by the chief information officer in both format and content. State agency project leaders, in accordance with policies and standards set forth by the chief information officer, must demonstrate that the project will be properly managed, provide updates to the project documentation as changes are proposed, and regularly report on the current status of the project on a schedule agreed to with the chief information officer. The chief information officer has the authority to define a project for the purposes of this chapter.

(d) The chief information officer shall monitor progress on any active information and telecommunications technology project with a total expected project cost of more than \$5,000,000 and report on the performance of the project in comparison with the plans for the project in terms of time, scope, and budget. The chief information officer may conduct an independent project audit of the project. The audit analysis and evaluation of the projects subject to paragraph (c) must be presented to agency executive sponsors, the project governance bodies, and the chief information officer. All reports and responses must become part of the project record.

(e) For any active information and telecommunications technology project with a total expected project cost of more than \$10,000,000, the state agency must perform an annual independent audit that conforms to published project audit principles adopted by the department.

(f) The chief information officer shall report by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the department

regarding projects the department has reviewed under paragraph (a), clause (10). The report must include ~~the reasons for the determinations made in the review of each project and a description of its current status.~~

- (1) each project in the IT portfolio whose status is either active or on hold;
- (2) each project presented to the office for consultation in the time since the last report;
- (3) the information technology cost associated with the project;
- (4) the current status of the information technology project;
- (5) the date the information technology project is expected to be completed; and
- (6) the projected costs for ongoing support and maintenance after the project is complete.

Sec. 9. Minnesota Statutes 2022, section 16E.016, is amended to read:

16E.016 RESPONSIBILITY FOR INFORMATION TECHNOLOGY SERVICES AND EQUIPMENT.

(a) The chief information officer is responsible for providing or entering into managed services contracts for the provision, improvement, ~~and~~ development, and lifecycle management of the following information technology systems and services to state agencies:

- (1) state data centers;
- (2) mainframes including system software;
- (3) servers including system software;
- (4) desktops including system software;
- (5) laptop computers including system software;
- (6) a data network including system software;
- (7) database, electronic mail, office systems, reporting, and other standard software tools;
- (8) business application software and related technical support services;
- (9) help desk for the components listed in clauses (1) to (8);
- (10) maintenance, problem resolution, and break-fix for the components listed in clauses (1) to (8);
- (11) regular upgrades ~~and~~ replacement, and lifecycle management for the components listed in clauses (1) to (8); and
- (12) network-connected output devices.

(b) All state agency employees whose work primarily involves functions specified in paragraph (a) are employees of the Department of Information Technology Services. This includes employees who directly perform the functions in paragraph (a), as well as employees whose work primarily involves managing, supervising, or providing administrative services or support services to employees who directly perform these functions. The chief information officer may assign employees of the department to perform work exclusively for another state agency.

(c) Subject to sections 16C.08 and 16C.09, the chief information officer may allow a state agency to obtain services specified in paragraph (a) through a contract with an outside vendor when the chief information officer and the agency head agree that a contract would provide best value, as defined in section 16C.02, under the service-level agreement. The chief information officer must require that agency contracts with outside vendors ensure that systems and services are compatible with standards established by the Department of Information Technology Services.

(d) The Minnesota State Retirement System, the Public Employees Retirement Association, the Teachers Retirement Association, the State Board of Investment, the Campaign Finance and Public Disclosure Board, the State Lottery, and the Statewide Radio Board are not state agencies for purposes of this section.

Sec. 10. Minnesota Statutes 2022, section 16E.03, subdivision 2, is amended to read:

Subd. 2. **Chief information officer's responsibility.** The chief information officer shall:

(1) design a ~~master~~ strategic plan for information and telecommunications technology systems and services in the state and shall report on the plan to the governor and legislature at the beginning of each regular session;

(2) coordinate, review, and approve all information and telecommunications technology projects and oversee the state's information and telecommunications technology systems and services;

(3) establish and enforce compliance with standards for information and telecommunications technology systems and services that are cost-effective and support open systems environments and that are compatible with state, national, and international standards, including accessibility standards;

(4) maintain a library of systems and programs developed by the state for use by agencies of government;

(5) direct and manage the shared operations of the state's information and telecommunications technology systems and services; and

(6) establish and enforce standards and ensure acquisition of hardware ~~and~~ software, and services necessary to protect data and systems in state agency networks connected to the Internet.

Sec. 11. Minnesota Statutes 2022, section 16E.03, subdivision 4a, is amended to read:

Subd. 4a. **Cloud computing services.** The project evaluation procedure required by subdivision 4 must include a review of cloud computing service options, including any security benefits and cost savings associated with purchasing those service options from a cloud computing service provider. When projects involve cloud computing services, the state chief information officer shall,

in consultation with the Technology Advisory Council, establish metrics to assess the progress of any cloud computing project for each state agency.

Sec. 12. Minnesota Statutes 2022, section 16E.03, is amended by adding a subdivision to read:

Subd. 5a. **Cloud computing progress report.** (a) No later than January 15, 2024, and annually thereafter, the state chief information officer shall, in consultation with the Technology Advisory Council, report on the progress of executive branch cloud adoption to the chairs and ranking members of the legislative committees with jurisdiction over executive branch information technology policy. The report shall include, but not be limited to, the following:

(1) an accounting of each state agency's expenditures for cloud computing initiatives and software as service solutions; and

(2) cost projections, timelines, and the names of any cloud provider selected for current computing projects that incorporate cloud computing solutions, and percentage of total cloud use.

(b) This subdivision expires December 31, 2027.

Sec. 13. Minnesota Statutes 2022, section 16E.14, subdivision 4, is amended to read:

Subd. 4. **Cash flow.** (a) The commissioner of management and budget shall make appropriate transfers to the revolving fund when requested by the chief information officer. The chief information officer may make allotments and encumbrances in anticipation of such transfers. In addition, the chief information officer, with the approval of the commissioner of management and budget, may require an agency to make advance payments to the revolving fund sufficient to cover the office's estimated obligation for a period of at least 60 days. All reimbursements and other money received by the chief information officer under this section must be deposited in the MNIT services revolving fund.

(b) Each biennium, the commissioner of management and budget is authorized to provide cash flow assistance of up to \$60,000,000 from the special revenue fund or other statutory general fund as defined in section 16A.671, subdivision 3, paragraph (a), to the Department of Information Technology Services for the purpose of managing revenue and expenditure differences. These funds shall be repaid with interest by the end of the closing period of the second fiscal year of the same biennium.

Sec. 14. Minnesota Statutes 2022, section 16E.21, subdivision 1, is amended to read:

Subdivision 1. **Account established; appropriation.** The information and telecommunications technology systems and services account is created in the special revenue fund. Receipts credited to the account are appropriated to the Department of Information Technology Services for the purpose of defraying the costs of personnel and technology for activities that create government efficiencies, secure state systems, or address project or product backlogs in accordance with this chapter.

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

Sec. 15. Minnesota Statutes 2022, section 16E.21, subdivision 2, is amended to read:

Subd. 2. **Charges.** (a) Upon agreement of the participating agency, the Department of Information Technology Services may collect a charge or receive a fund transfer under section 16E.0466 for purchases of information and telecommunications technology systems and services by state agencies and other governmental entities through state contracts for purposes described in subdivision 1. Charges collected under this section must be credited to the information and telecommunications technology systems and services account.

(b) Notwithstanding section 16A.28, subdivision 3, any unexpended operating balance appropriated to a state agency may be transferred to the information and telecommunications technology systems and services account for the information technology cost of a specific project, product, or services, subject to the review of the Legislative Advisory Commission under subdivision 3.

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

Sec. 16. **[16E.35] COUNTY AND LOCAL CYBERSECURITY GRANTS.**

Subdivision 1. **Cybersecurity grant program established.** The Department of IT Services may make grants to political subdivisions to support addressing cybersecurity risks and cybersecurity threats to information systems owned or operated by, or on behalf of, state, local, or Tribal governments, as provided in section 70612 of Public Law 117-58.

Subd. 2. **Match requirement.** The political subdivision receiving a grant must provide for the remainder of the costs of the project that exceed available state match appropriated funds, or that exceed goals defined in the statewide cybersecurity plan.

Subd. 3. **Criteria.** The department may set criteria for program priorities and standards of review.

Sec. 17. **REPEALER.**

Minnesota Statutes 2022, sections 12.03, subdivision 5d; and 16E.0466, subdivision 2, are repealed.

ARTICLE 7

GRANTS OVERSIGHT

Section 1. Minnesota Statutes 2022, section 16A.122, subdivision 2, is amended to read:

Subd. 2. **Transfers from grants prohibited.** Unless otherwise provided by law or section 16B.98, subdivision 14, an agency must not use grant or flow-through funds for salaries or other operating purposes.

Sec. 2. Minnesota Statutes 2022, section 16B.97, subdivision 2, is amended to read:

Subd. 2. **Grants governance.** The commissioner shall provide leadership and direction for policy related to grants management in Minnesota in order to foster more consistent, streamlined interaction between executive agencies, funders, and grantees that will enhance access to grant

opportunities and information and lead to greater program accountability and transparency. The commissioner has the duties and powers stated in this section. ~~An Executive agency agencies shall fully cooperate with the commissioner in the creation, management, and oversight of state grants and must do what the commissioner requires under this section.~~ The commissioner may adopt rules to carry out grants governance, oversight, and management.

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

Sec. 3. Minnesota Statutes 2022, section 16B.97, subdivision 3, is amended to read:

Subd. 3. **Discretionary powers.** The commissioner has the authority to:

(1) review grants management practices and ~~propose~~ establish and enforce policy and procedure improvements ~~to the governor, legislature, executive agencies, and the federal government;~~

(2) sponsor, support, and facilitate innovative and collaborative grants management projects with public and private organizations;

(3) review, recommend, and implement alternative strategies for grants management;

(4) collect and disseminate information, issue reports relating to grants management, and sponsor and conduct conferences and studies; ~~and~~

(5) participate in conferences and other appropriate activities related to grants management issues-;

(6) suspend or debar grantees from eligibility to receive state-issued grants for up to three years for reasons specified in Minnesota Rules, part 1230.1150, subpart 2. A grantee may obtain an administrative hearing pursuant to sections 14.57 to 14.62 before a suspension or debarment is effective by filing a written request for hearing within 20 days of notification of suspension or debarment;

(7) establish offices for the purpose of carrying out grants governance, oversight, and management; and

(8) require granting agencies to submit grant solicitation documents for review prior to issuance at dollar levels determined by the commissioner.

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

Sec. 4. Minnesota Statutes 2022, section 16B.97, subdivision 4, is amended to read:

Subd. 4. **Duties.** (a) The commissioner shall:

(1) create general grants management policies and procedures that are applicable to all executive agencies. The commissioner may approve exceptions to these policies and procedures for particular grant programs. Exceptions shall expire or be renewed after five years. Executive agencies shall retain management of individual grants programs;

(2) provide a central point of contact concerning statewide grants management policies and procedures;

(3) serve as a resource to executive agencies in such areas as training, evaluation, collaboration, and best practices in grants management;

(4) ensure grants management needs are considered in the development, upgrade, and use of statewide administrative systems and leverage existing technology wherever possible;

(5) oversee and approve future professional and technical service contracts and other information technology spending related to executive agency grants management systems and activities;

(6) provide a central point of contact for comments about executive agencies violating statewide grants governance policies and about fraud and waste in grants processes;

(7) forward received comments to the appropriate agency for further action, and may follow up as necessary;

(8) provide a single listing of all available executive agency competitive grant opportunities and resulting grant recipients;

(9) selectively review development and implementation of executive agency grants, policies, and practices; and

(10) selectively review executive agency compliance with best practices.

(b) The commissioner may determine that it is cost-effective for agencies to develop and use shared grants management technology systems. This system would be governed under section 16E.01, subdivision 3, paragraph (b).

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

Sec. 5. Minnesota Statutes 2022, section 16B.98, subdivision 5, is amended to read:

Subd. 5. **Creation and validity of grant agreements.** (a) A grant agreement ~~is~~ and amendments ~~are not valid and the state is not bound by the grant~~ do not bind unless:

(1) ~~the grant has~~ the grant agreement and amendments have been executed by the head of the agency or a delegate who is party to the grant;

(2) the grant agreement and amendments have been approved by the commissioner;

~~(3)~~ (3) the accounting system shows an encumbrance for the amount of the grant in accordance with policy approved by the commissioner except as provided in subdivision 11; and

~~(3)~~ (4) the grant agreement ~~includes~~ and amendments include an effective date that references either section 16C.05, subdivision 2, or 16B.98, subdivisions 5 and 7, as determined by the granting agency.

(b) The combined grant agreement and amendments must not exceed five years without specific, written approval by the commissioner according to established policy, procedures, and standards, or unless the commissioner determines that a longer duration is in the best interest of the state.

(c) A fully executed copy of the grant agreement with all amendments and other required records relating to the grant must be kept on file at the granting agency for a time equal to that required of grantees in subdivision 8.

(d) Grant agreements must comply with policies established by the commissioner for minimum grant agreement standards and practices.

(e) The attorney general may periodically review and evaluate a sample of state agency grants to ensure compliance with applicable laws.

EFFECTIVE DATE. This section is effective April 1, 2024, and applies to grants issued on or after that date.

Sec. 6. Minnesota Statutes 2022, section 16B.98, subdivision 6, is amended to read:

Subd. 6. **Grant administration.** A granting agency shall diligently administer and monitor any grant it has entered into. A granting agency must report to the commissioner at any time at the commissioner's request on the status of any grant to which the agency is a party.

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

Sec. 7. Minnesota Statutes 2022, section 16B.98, subdivision 8, is amended to read:

Subd. 8. **Audit.** (a) A grant agreement made by an executive agency must include an audit clause that provides that the books, records, documents, and accounting procedures and practices of the grantee or other party that are relevant to the grant or transaction are subject to examination by the commissioner, the granting agency and either the legislative auditor or the state auditor, as appropriate, for a minimum of six years from the grant agreement end date, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later. If a grant agreement does not include an express audit clause, the audit authority under this subdivision is implied.

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

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

Sec. 8. Minnesota Statutes 2022, section 16B.98, is amended by adding a subdivision to read:

Subd. 12. **Grantee evaluations.** (a) The head of the agency or delegate entering into a grant agreement in excess of \$25,000 must submit a report to the commissioner who must make the report publicly available online.

(b) The report must:

(1) summarize the purpose of the grant;

(2) state the amount provided to the grantee; and

(3) include a written performance evaluation of the work done under the grant. The evaluation must include an appraisal of the grantee's timeliness, quality, and overall performance in meeting the terms and objectives of the grant. Grantees may request copies of evaluations prepared under this subdivision and may respond in writing. Grantee responses must be maintained with the grant file.

EFFECTIVE DATE. This section is effective April 1, 2024, and applies to grants issued on or after that date.

Sec. 9. Minnesota Statutes 2022, section 16B.98, is amended by adding a subdivision to read:

Subd. 13. **Limitations on actions.** No action may be maintained by a grantee against an employee or agency who discloses information about a current or former grantee under subdivision 12, unless the grantee demonstrates by clear and convincing evidence that:

(1) the information was false and defamatory;

(2) the employee or agency knew or should have known the information was false and acted with malicious intent to injure the current or former grantee; and

(3) the information was acted upon in a manner that caused harm to the current or former grantee.

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

Sec. 10. Minnesota Statutes 2022, section 16B.98, is amended by adding a subdivision to read:

Subd. 14. **Administrative costs.** Unless amounts are otherwise appropriated for administrative costs, a state agency may retain up to five percent of the amount appropriated to the agency for grants enacted by the legislature and formula grants and up to ten percent for competitively awarded grants. This subdivision applies to appropriations made for new grant programs enacted after the effective date of this subdivision. This subdivision does not apply to grants funded with an appropriation of proceeds from the sale of state general obligation bonds.

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

Sec. 11. **[16B.981] FINANCIAL REVIEW OF GRANT AND BUSINESS SUBSIDY RECIPIENTS.**

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

(b) "Grant" means a grant of \$50,000 or more as defined in section 16B.97, subdivision 1, paragraph (a); or business subsidy of \$50,000 or more as defined in section 116J.994, subdivision 3, paragraph (b).

(c) "Grantee" means a political subdivision, as defined in section 471.345, subdivision 1; a nonprofit, as defined in chapter 317A; or a business entity, as defined in section 5.001, subdivision 2.

Subd. 2. **Financial information required; determination of ability to perform.** For grants of \$50,000 or more and subject to sections 16B.97 and 16B.98, before an agency awards a competitive, legislatively named, single-source, or sole-source grant, the agency must complete a preaward risk assessment to assess the risk that a potential grantee cannot or would not perform the required duties. In making this assessment, the agency must review the following information as applicable:

(1) the potential grantee's history of performing duties similar to those required by the grant, whether the grant requires the potential grantee to perform services at a significantly increased scale, and whether the grant will require significant changes to the operation of the potential grantee's organization;

(2) for a potential grantee that is a nonprofit organization, the potential grantee's most recent Form 990 or Form 990-EZ filed with the Internal Revenue Service. If the potential grantee has not been in existence long enough or is not required to file Form 990 or Form 990-EZ, the potential grantee must demonstrate to the agency's satisfaction that the potential grantee is exempt and must instead submit the potential grantee's most recent board-reviewed financial statements and documentation of internal controls or, if there is no such board, by the applicant's managing group;

(3) for a potential grantee that is a for-profit business, the potential grantee's most recent federal and state tax returns, current financial statements, certification that the business is not under bankruptcy proceedings, and disclosure of any liens on its assets. If a business has not been in business long enough to have a tax return, the grantee must demonstrate to the agency's satisfaction that the grantee has appropriate internal financial controls;

(4) evidence of good standing with the secretary of state under chapter 317A, or other applicable law;

(5) if the potential grantee is required to complete an audit under section 309.53, subdivision 3, the potential grantee's most recent audit report performed by an independent third party in accordance with generally accepted accounting principles; and

(6) certification, provided by the potential grantee, that none of its current principals have been convicted of a felony financial crime in the last ten years. For this section, a principal is defined as a public official, a board member, or staff with the authority to access funds provided by this agency or determine how those funds are used.

Subd. 3. **Additional measures for some grantees.** The agency may require additional information and may provide enhanced oversight for grantees that have not previously received state or federal grants for similar amounts or similar duties and have not yet demonstrated the ability to perform the duties required under the grant on the scale required.

Subd. 4. **Agency authority to not award grant.** (a) If, while performing the required steps in subdivision 2 and pursuant to sections 16B.97, 16B.98, and 16B.991, the agency requires additional information to determine whether there is a substantial risk that the potential grantee cannot or would not perform the required duties of the grant agreement, the agency must give the grantee 30 business days within which the grantee can respond to the agency for the purpose of satisfying the agency's concerns or work with the agency to develop a plan to satisfy the concerns.

(b) If, after performing the required steps in subdivision 2 and pursuant to sections 16B.97, 16B.98, and 16B.991, and after reviewing any additional requested information from the grantee, the agency still has concerns that there is a substantial risk that a potential grantee cannot or would not perform the required duties under the grant agreement, the agency must either create a plan to satisfy remaining concerns with the grantee or must not award the grant.

(c) If, pursuant to paragraphs (a) and (b), the agency does not award a competitive, single-source, or sole-source grant, the agency must provide notification to the grantee and the commissioner of administration of the determination. The notification to the grantee must include the agency's reason for postponing or forgoing the grant, including information sufficient to explain and support the agency's decision, and notify the applicant of the process for contesting the agency's decision with the agency and the applicant's options under paragraph (d). If the applicant contests the agency's decision no later than 15 business days after receiving the notice, the agency must consider any additional written information submitted by the grantee. The agency has 15 business days to consider this information, during which the agency may reverse or modify the agency's initial decision to postpone or forgo the grant.

(d) The final decision by an agency under paragraph (c) may be challenged as a contested case under chapter 14. The contested case proceeding must be initiated within 30 business days of the date of written notification of a final decision by the agency.

(e) If, pursuant to paragraphs (a) and (b), the agency does not award a legislatively named grant, the agency must delay award of the grant until adjournment of the next regular or special legislative session for action from the legislature. The agency must provide notification to the potential grantee, the commissioner of administration, and the chairs and ranking minority members of the Ways and Means Committee in the house of representatives and the chairs and ranking minority members of the Finance Committee in the senate. The notification to the grantee must include the agency's reason for postponing or forgoing the grant, including information sufficient to explain and support the agency's decision and notify the applicant of the process for contesting the agency's decision. If the applicant contests the agency's decision no later than 15 business days after receiving the notice, the agency must consider any additional written information submitted by the grantee. The agency has 15 business days to consider this information, during which the agency may reverse or modify the agency's initial decision to postpone or forgo the grant. The notification to the commissioner of administration and legislators must identify the legislatively named potential grantee and the agency's reason for postponing or forgoing the grant. After hearing the concerns of the agency, the legislature may reaffirm the award of the grant or reappropriate the funds to a different legislatively named

grantee. Based on the action of the legislature, the agency must award the grant to the legislatively named grantee. If the legislature does not provide direction to the agency on the disposition of the grant, the funds revert to the original appropriation source.

Subd. 5. **Authority to award subject to additional assistance and oversight.** An agency that identifies an area of significant concern regarding an applicant's financial standing or management may award a grant to the applicant if the agency provides or the potential grantee otherwise obtains necessary technical assistance. If the agency cannot provide and the grantee cannot otherwise reasonably obtain necessary technical assistance, the agency may award the grant if the agency establishes additional requirements in the grant agreement. Additional requirements may include but are not limited to enhanced monitoring, additional reporting, or other reasonable requirements imposed by the agency to protect the interests of the state.

Subd. 6. **Grants with Indian Tribes and bands.** Notwithstanding any other law, an agency may not require an Indian Tribe or band to deny its sovereignty as a requirement or condition of a grant with an agency.

EFFECTIVE DATE. This section is effective January 15, 2024, and applies to grants issued on or after that date.

Sec. 12. Minnesota Statutes 2022, section 16B.991, is amended to read:

16B.991 TERMINATION OF GRANT.

Subdivision 1. **Criminal conviction.** Each grant agreement subject to sections 16B.97 and 16B.98 must provide that the agreement will immediately be terminated if the recipient is convicted of a criminal offense relating to a state grant agreement.

Subd. 2. **Authority.** A grant agreement must by its terms permit the commissioner to unilaterally terminate the grant agreement prior to completion if the commissioner determines that further performance under the grant agreement would not serve agency purposes or is not in the best interests of the state.

Sec. 13. Minnesota Statutes 2022, section 116J.994, subdivision 3, is amended to read:

Subd. 3. **Subsidy agreement.** (a) A recipient must enter into a subsidy agreement with the grantor of the subsidy that includes:

(1) a description of the subsidy, including the amount and type of subsidy, and type of district if the subsidy is tax increment financing;

(2) a statement of the public purposes for the subsidy;

(3) measurable, specific, and tangible goals for the subsidy;

(4) a description of the financial obligation of the recipient if the goals are not met;

(5) a statement of why the subsidy is needed;

(6) a commitment to continue operations in the jurisdiction where the subsidy is used for at least five years after the benefit date;

(7) the name and address of the parent corporation of the recipient, if any; and

(8) a list of all financial assistance by all grantors for the project.

(b) Business subsidies in the form of grants must be structured as forgivable loans and are subject to the financial review under section 16B.981. For other types of business subsidies, the agreement must state the fair market value of the subsidy to the recipient, including the value of conveying property at less than a fair market price, or other in-kind benefits to the recipient.

(c) If a business subsidy benefits more than one recipient, the grantor must assign a proportion of the business subsidy to each recipient that signs a subsidy agreement. The proportion assessed to each recipient must reflect a reasonable estimate of the recipient's share of the total benefits of the project.

(d) The state or local government agency and the recipient must both sign the subsidy agreement and, if the grantor is a local government agency, the agreement must be approved by the local elected governing body, except for the St. Paul Port Authority and a seaway port authority.

(e) Notwithstanding the provision in paragraph (a), clause (6), a recipient may be authorized to move from the jurisdiction where the subsidy is used within the five-year period after the benefit date if, after a public hearing, the grantor approves the recipient's request to move. For the purpose of this paragraph, if the grantor is a state government agency other than the Department of Iron Range Resources and Rehabilitation, "jurisdiction" means a city or township.

EFFECTIVE DATE. This section is effective January 15, 2024, and applies to grants issued on or after that date.

Sec. 14. **GRANTS ADMINISTRATION OVERSIGHT; FEASIBILITY STUDY.**

The commissioner of administration must assess the viability of implementing a single grants management system for executive agencies. If the results of the study determine an enterprise system is feasible, the study must further include:

(1) an analysis of available technology options;

(2) recommended changes to the state's organizational model, operational controls, and processes;

(3) staffing and other resource needs;

(4) high level system requirements;

(5) estimated costs; and

(6) an implementation road map.

ARTICLE 8**STATE EMPLOYEES WITH DISABILITIES**

Section 1. Minnesota Statutes 2022, section 43A.01, subdivision 2, is amended to read:

Subd. 2. **Precedence of merit principles and nondiscrimination.** It is the policy of this state to provide for equal employment opportunity consistent with chapter 363A by ensuring that all personnel actions be based on the ability to perform the duties and responsibilities assigned to the position without regard to age, race, creed or religion, color, disability, sex, national origin, marital status, status with regard to public assistance, or political affiliation. It is the policy of this state to take affirmative action to eliminate the underutilization of qualified members of protected groups in the civil service, where such action is not in conflict with other provisions of this chapter or chapter 179, in order to correct imbalances and eliminate the ~~present~~ effects of ~~past~~ discrimination and support full and equal participation in the social and economic life in the state. Heads of departments and agencies must provide training to managers and supervisors that are responsible for hiring and evaluating employee performance regarding bias that can be present in the hiring and performance evaluation processes.

No contract executed pursuant to chapter 179A shall modify, waive or abridge this section and sections 43A.07 to 43A.121, 43A.15, and 43A.17 to 43A.21, except to the extent expressly permitted in those sections.

Sec. 2. Minnesota Statutes 2022, section 43A.02, is amended by adding a subdivision to read:

Subd. 1a. **Accommodation fund.** "Accommodation fund" means the fund created under section 16B.4805 for reimbursing state agencies for eligible expenses incurred in providing reasonable accommodations to state employees with disabilities.

Sec. 3. Minnesota Statutes 2022, section 43A.02, is amended by adding a subdivision to read:

Subd. 3a. **Americans with Disabilities Act.** "Americans With Disabilities Act" or "ADA" means the Americans with Disabilities Act of 1990, as amended, United States Code title 42, sections 12101 to 12117.

Sec. 4. Minnesota Statutes 2022, section 43A.02, is amended by adding a subdivision to read:

Subd. 18a. **Digital accessibility.** "Digital accessibility" means information and communication technology, including products, devices, services, and content that are designed and built so people with disabilities can use or participate in them, as defined by the accessibility standard adopted under section 16E.03, subdivision 9. Any statutory reference to accessible or accessibility in the context of information and communication technology includes digital accessibility.

Sec. 5. Minnesota Statutes 2022, section 43A.02, is amended by adding a subdivision to read:

Subd. 35a. **Reasonable accommodation.** "Reasonable accommodation" has the meaning given under section 363A.08, subdivision 6.

Sec. 6. Minnesota Statutes 2022, section 43A.04, subdivision 1a, is amended to read:

Subd. 1a. **Mission; efficiency.** It is part of the department's mission that within the department's resources the commissioner shall endeavor to:

- (1) prevent the waste or unnecessary spending of public money;
- (2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;
- (3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;
- (4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;
- (5) ensure that all technology utilized is accessible to employees and provided in a timely manner as described in sections 363A.42 and 363A.43 and the accessibility standards under section 16E.03, subdivisions 2, clause (3), and 9;
- ~~(5)~~ (6) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;
- ~~(6)~~ (7) report to the legislature on the performance of agency operations and the accomplishment of agency goals in the agency's biennial budget according to section 16A.10, subdivision 1; ~~and~~
- ~~(7)~~ (8) recommend to the legislature appropriate changes in law necessary to carry out the mission and improve the performance of the department; and
- (9) endeavor to use equitable and inclusive practices to attract and recruit protected class employees; actively eliminate discrimination against protected group employees; and ensure equitable access to development and training, advancement, and promotional opportunities.

Sec. 7. Minnesota Statutes 2022, section 43A.04, subdivision 4, is amended to read:

Subd. 4. **Administrative procedures.** The commissioner shall develop administrative procedures, which are not subject to the rulemaking provisions of the Administrative Procedure Act, to effect provisions of chapter 43A which do not directly affect the rights of or processes available to the general public. The commissioner may also adopt administrative procedures, not subject to the Administrative Procedure Act, which concern topics affecting the general public if those procedures concern only the internal management of the department or other agencies and if those elements of the topics which affect the general public are the subject of department rules.

Administrative procedures shall be reproduced and made available for comment in accessible digital formats under section 16E.03 to agencies, employees, and appropriate exclusive representatives certified pursuant to sections 179A.01 to 179A.25, for at least 15 days prior to implementation and shall include but are not limited to:

- (1) maintenance and administration of a plan of classification for all positions in the classified service and for comparisons of unclassified positions with positions in the classified service;

(2) procedures for administration of collective bargaining agreements and plans established pursuant to section 43A.18 concerning total compensation and the terms and conditions of employment for employees;

(3) procedures for effecting all personnel actions internal to the state service such as processes and requirements for agencies to publicize job openings and consider applicants who are referred or nominate themselves, conduct of selection procedures limited to employees, noncompetitive and qualifying appointments of employees and leaves of absence;

(4) maintenance and administration of employee performance appraisal, training and other programs; and

(5) procedures for pilots of the reengineered employee selection process. Employment provisions of this chapter, associated personnel rules adopted under subdivision 3, and administrative procedures established under clauses (1) and (3) may be waived for the purposes of these pilots. The pilots may affect the rights of and processes available to members of the general public seeking employment in the classified service. The commissioner will provide public notice of any pilot directly affecting the rights of and processes available to the general public and make the administrative procedures available for comment to the general public, agencies, employees, and appropriate exclusive representatives certified pursuant to sections 179A.01 to 179A.25 for at least 30 days prior to implementation. The commissioner must publish the public notice in an accessible digital format under section 16E.03. The commissioner must provide a comment process that allows the public to submit comments through multiple formats to ensure accessibility. These formats must include telephone, digital content, and email.

Sec. 8. Minnesota Statutes 2022, section 43A.04, subdivision 7, is amended to read:

Subd. 7. **Reporting.** The commissioner shall issue a written report by February 1 and August 1 of each year to the chair of the Legislative Coordinating Commission. The report must list the number of appointments made under each of the categories in section 43A.15, the number made to the classified service other than under section 43A.15, and the number made under section 43A.08, subdivision 2a, during the six-month periods ending June 30 and December 31, respectively. The report must be posted online and must be accessible under section 16E.03. The commissioner shall advertise these reports in multiple formats to ensure broad dissemination.

Sec. 9. Minnesota Statutes 2022, section 43A.09, is amended to read:

43A.09 RECRUITMENT.

The commissioner in cooperation with appointing authorities of all state agencies shall maintain an active recruiting program publicly conducted and designed to attract sufficient numbers of well-qualified people to meet the needs of the civil service, and to enhance the image and public esteem of state service employment. Special emphasis shall be given to recruitment of veterans and protected group members, including qualified individuals with disabilities, to assist state agencies in meeting affirmative action goals to achieve a balanced work force. All technology and digital content related to recruiting and hiring shall be accessible to people with disabilities.

Sec. 10. Minnesota Statutes 2022, section 43A.10, subdivision 2a, is amended to read:

Subd. 2a. **Application requirements.** (a) The commissioner shall establish and maintain a database of applicants for state employment. The commissioner shall establish, publicize, and enforce minimum requirements for ~~application~~ applications, and shall ensure that:

(1) all postings shall be written so as to be relevant to the duties of the job and be nondiscriminatory;

(2) the appointing authority shall enforce enforces the established minimum requirements for application;

(3) the 700-hour on-the-job demonstration experience is considered an alternative, noncompetitive hiring process for classified positions for qualified individuals who express interest directly to the appointing authority with disabilities; and

(4) hiring managers and others involved in the selection process are aware of the accommodation fund under section 16B.4805 to ensure that people with disabilities obtain timely and appropriate accommodations within the hiring process and the state agency can request reimbursement.

(b) The commissioner shall ensure that all online application processes and all digital content relating to the database referenced in paragraph (a) shall be accessible for people with disabilities.

Sec. 11. Minnesota Statutes 2022, section 43A.10, subdivision 7, is amended to read:

Subd. 7. **Selection process accommodations.** Upon request, the commissioner or appointing authority shall provide ~~selection process~~ reasonable accommodations to an applicant with a disability that does not prevent performance of the duties of the position. The accommodations must provide an opportunity to fairly assess the ability of the applicant to perform the duties of the position notwithstanding the disability but must preserve, to the extent feasible, the validity of the selection process and equitable comparison of results with the results of competitors without disabilities. a qualified applicant with a disability to ensure full participation in the selection process, including use of the accommodation fund under section 16B.4805 during the selection process. The commissioner must ensure that each agency head is aware of the accommodation fund and its critical function of removing cost considerations from interview selection decisions.

Sec. 12. Minnesota Statutes 2022, section 43A.14, is amended to read:

43A.14 APPOINTMENTS.

All appointments to the classified service shall be based upon merit and ability to perform the duties of the position and the needs of the employing agency, including the need to achieve and maintain a representative work force, including representation of people with disabilities. For employees in a bargaining unit as defined in section 179A.10 appointments shall be subject to applicable provisions of collective bargaining agreements.

Sec. 13. Minnesota Statutes 2022, section 43A.15, subdivision 14, is amended to read:

Subd. 14. **700-hour on-the-job demonstration process and appointment experience.** (a) The commissioner shall ~~establish~~ consult with the Department of Employment and Economic Development's Vocational Rehabilitation Services and State Services for the Blind and other disability

experts in establishing, reviewing, and modifying the qualifying procedures for applicants whose disabilities are of such a significant nature that the applicants are unable to demonstrate their abilities in the selection process. The qualifying procedures must consist of up to 700 hours of on-the-job ~~trial work~~ demonstration experience. ~~Up to three persons with significant disabilities and their job coach may be allowed to demonstrate their job competence as a unit through the on the job trial work experience selection procedure. This~~ The 700-hour on-the-job demonstration process must be limited to applicants for whom there is no reasonable accommodation in the selection process experience is an alternative, noncompetitive hiring process for qualified applicants with disabilities. All permanent executive branch classified positions are eligible for a 700-hour on-the-job demonstration experience, and all permanent classified job postings must provide information regarding the on-the-job demonstration overview and certification process.

(b) The commissioner may authorize the probationary appointment of an applicant based on the request of the appointing authority that documents that the applicant has successfully demonstrated qualifications for the position through completion of an on-the-job ~~trial work~~ demonstration experience. A qualified applicant should be converted to permanent, probationary appointments at the point in the 700-hour on-the-job experience when the applicant has demonstrated the ability to perform the essential functions of the job with or without reasonable accommodation. The implementation of this subdivision may not be deemed a violation of chapter 43A or 363A.

(c) The commissioner and the ADA and disability employment director, described in section 43A.19, subdivision 1, paragraph (e), are responsible for the administration and oversight of the 700-hour on-the-job demonstration experience, including the establishment of policies and procedures, data collection and reporting requirements, and compliance.

(d) The commissioner or the commissioner's designee shall design and implement a training curriculum for the 700-hour on-the-job demonstration experience. All executive leaders, managers, supervisors, human resources professionals, affirmative action officers, and ADA coordinators must receive annual training on the program.

(e) The commissioner or the commissioner's designee shall develop, administer, and make public a formal grievance process for individuals in the 700-hour on-the-job demonstration experience under this subdivision and supported work program under section 43A.421, subdivision 2.

(f) An appointing authority must make reasonable accommodations in response to a request from an applicant with a disability, including providing accommodations in a timely manner during the application and hiring process and throughout the 700-hour on-the-job demonstration experience. Requirements for accessibility for public records under section 363A.42, continuing education under section 363A.43, and technology under section 16E.03, subdivision 2, clauses (3) and (9), apply to an agency filling an appointment during the application and hiring process and through the on-the-job demonstration experience period.

Sec. 14. Minnesota Statutes 2022, section 43A.15, is amended by adding a subdivision to read:

Subd. 14a. **Report and survey.** (a) The commissioner shall annually collect enterprise-wide statistics on the 700-hour on-the-job demonstration experience under subdivision 14. The statistics collected and reported annually must include:

(1) the number of certifications submitted, granted, and rejected;

(2) the number of applicants interviewed, appointed, and converted to probationary status;

(3) the number of employees retained after one year in state employment;

(4) the number of employees with terminated appointments and the reason for termination;

(5) the average length of time in an on-the-job demonstration appointment;

(6) the number and category of entity certifications; and

(7) by department or agency, the number of appointments and hires and the number of managers and supervisors trained.

(b) The commissioner shall administer an annual survey of participants in the 700-hour on-the-job demonstration experience who are hired and those who are not hired, as well as the managers of participants in the 700-hour on-the-job demonstration experience.

(c) The commissioner must consult at least annually with the Department of Employment and Economic Development's Vocational Rehabilitation Services and State Services for the Blind and other disability experts to review the survey results, assess program satisfaction, and recommend areas for continuous improvement.

(d) The commissioner shall annually publish a report on the department's website that includes the data described in paragraph (a), survey results described in paragraph (b), and recommendations for continuous improvement described in paragraph (c).

Sec. 15. Minnesota Statutes 2022, section 43A.19, subdivision 1, is amended to read:

Subdivision 1. **Statewide affirmative action program.** (a) To assure that positions in the executive branch of the civil service are equally accessible to all qualified persons, and to eliminate the ~~underutilization of qualified members of protected groups~~ effects of past and present discrimination, intended or unintended, on the basis of protected group status, the commissioner shall adopt and periodically revise, if necessary, a statewide affirmative action program. The statewide affirmative action program must consist of at least the following:

(1) objectives, goals, and policies;

(2) procedures, standards, and assumptions to be used by agencies in the preparation of agency affirmative action plans, including methods by which goals and timetables are established;

(3) the analysis of separation patterns to determine the impact on protected group members; and

(4) requirements for annual objectives and submission of affirmative action progress reports from heads of agencies.

Agency heads must report the data in clause (3) to the state Director of Recruitment, Retention and Affirmative Action and the state ADA coordinator, in addition to being available to anyone upon request. The commissioner must annually post the aggregate and agency-level reports under clause (4) on the agency's website.

(b) The commissioner shall establish statewide affirmative action goals for each of the federal Equal Employment Opportunity (EEO) occupational categories applicable to state employment, using at least the following factors:

(1) the percentage of members of each protected class in the recruiting area population who have the necessary skills; and

(2) the availability for promotion or transfer of current employees who are members of protected classes.

(c) The commissioner may use any of the following factors in addition to the factors required under paragraph (b):

(1) the extent of unemployment of members of protected classes in the recruiting area population;

(2) the existence of training programs in needed skill areas offered by employing agencies and other institutions; and

(3) the expected number of available positions to be filled.

(d) The commissioner shall designate a state director of diversity and equal employment opportunity who may be delegated the preparation, revision, implementation, and administration of the program. The commissioner of management and budget may place the director's position in the unclassified service if the position meets the criteria established in section 43A.08, subdivision 1a.

(e) The commissioner shall designate a statewide ADA and disability employment director. The commissioner may delegate the preparation, revision, implementation, evaluation, and administration of the program to the director. The director must administer the 700-hour on-the-job demonstration experience under the supported work program and disabled veteran's employment programs. The ADA and disability employment director shall have education, knowledge, and skills in disability policy, employment, and the ADA. The commissioner may place the director's position in the unclassified service if the position meets the criteria established in section 43A.08, subdivision 1a.

(f) Agency affirmative action plans, including reports and progress, must be posted on the agency's public and internal websites within 30 days of being approved. The commissioner of management and budget shall post a link to all executive branch agency-approved affirmative action plans on its public website. Accessible copies of the affirmative action plan must be available to all employees and members of the general public upon request.

Sec. 16. Minnesota Statutes 2022, section 43A.191, is amended to read:

43A.191 AGENCY AFFIRMATIVE ACTION PROGRAMS.

Subdivision 1. **Affirmative action officers.** (a) Each agency with 1,000 employees or more shall have at least one full-time affirmative action officer, who shall have primary responsibility for developing and maintaining the agency's affirmative action plan. The officer shall devote full time to affirmative action activities. The affirmative action officer shall report administratively and on policy issues directly to the agency head. The affirmative action officer shall be in the classified service.

(b) The agency heads shall assign affirmative action officers or designees for agencies with fewer than 1,000 employees. The designees shall report administratively and on policy issues directly to the agency head.

(c) An agency may not use authority under section 43A.08, subdivision 1a, to place the position of an agency affirmative action officer or designee in the unclassified service.

Subd. 2. Agency affirmative action plans. (a) The head of each agency in the executive branch shall prepare and implement an agency affirmative action plan consistent with this section and rules issued under section 43A.04, subdivision 3.

(b) The agency plan must include a plan for the provision of reasonable accommodation in the hiring and promotion of qualified ~~disabled~~ persons with disabilities. The reasonable accommodation plan must consist of at least the following:

(1) procedures for compliance with sections 16E.03, subdivision 9, 363A.08 to 363A.19, and 363A.28, subdivision 10, and, where appropriate, regulations implementing United States Code, title 29, section 794, as amended through December 31, 1984, which is section 504 of the Rehabilitation Act of 1973, as amended and the Americans with Disabilities Act, United States Code, title 42, sections 101 to 108, 201 to 231, 241 to 246, 401, 402, and 501 to 514;

(2) methods and procedures for providing timely access to reasonable accommodation for disabled job applicants, current employees, and employees accommodations during the application process, throughout current employment, and when seeking promotion;

(3) provisions for funding reasonable accommodations; and

(4) the number of requests made, the number of requests approved, and the number of requests reimbursed from the state accommodation account under section 16B.4805.

(c) The agency plan must be prepared by the agency head with the assistance of the agency affirmative action officer and the director of diversity and equal employment opportunity. The agency may consult with the Council on Disability, vocational rehabilitation services, state services for the blind, and other disability experts to review and make recommendations on recruitment and retention of people with disabilities.

(d) The agency plan must identify any positions in the agency that can be used for supported employment as defined in section 268A.01, subdivision 13, of persons with ~~severe~~ significant disabilities. The agency shall report this information to the commissioner. An agency that hires more than one supported worker in the identified positions must receive recognition for each supported worker toward meeting the agency's affirmative action goals and objectives.

(e) An agency affirmative action plan may not be implemented without the commissioner's approval.

Subd. 2a. Disability recruitment, hiring, and advancement. (a) Each agency affirmative action plan must include a section that provides sufficient assurances, procedures, and commitments to provide adequate hiring, placement, and advancement opportunities for individuals with disabilities at all levels of state employment. The criteria for this section of the agency affirmative action plan

must include a section on disability hiring and advancement, including the provisions in this subdivision.

(b) The plan must describe specific actions to ensure that a broad range of individuals with disabilities will be aware of and be encouraged to apply for job vacancies when eligible. The actions must include, at a minimum:

(1) the use of programs and resources that identify job applicants with disabilities who are eligible to be appointed under a hiring authority that takes disability into account, consistent with the demonstration program under section 43A.15, subdivision 14. The programs may include the Department of Employment and Economic Development's Vocational Rehabilitation Services and State Services for the Blind that provide the qualifications necessary for positions within the agency to individuals with disabilities. Resources may include databases of individuals with disabilities who previously applied to the agency but were not hired for the positions they applied for, and training and internship programs that lead directly to employment for individuals with disabilities; and

(2) establishment and maintenance of contacts, that may include formal agreements, with organizations that specialize in providing assistance to individuals with disabilities in securing and maintaining employment, such as the Department of Employment and Economic Development's Vocational Rehabilitation Services, State Services for the Blind, community rehabilitation programs, day training and habilitation programs, and employment network service providers.

(c) The plan must ensure that the agency has designated sufficient staff to handle any disability-related issues that arise during the application and selection process, and shall require the agency to provide staff with sufficient training, support, and other resources to carry out the responsibilities under this section. Responsibilities include, at a minimum:

(1) ensuring that disability-related questions from members of the public regarding the agency's application and selection processes are answered promptly and correctly, including questions about reasonable accommodations needed by job applicants during the application and selection process and questions about how individuals may apply for positions under hiring authorities that take disability into account;

(2) processing requests for reasonable accommodations needed by job applicants during the application and placement process and ensuring that the agency provides such accommodations when required;

(3) accepting applications for a position under hiring authorities that take disability into account;

(4) if an individual has applied for appointment to a particular position under a hiring authority that takes disability into account, determining whether the individual is eligible for appointment under such authority and if so forwarding the individual's application to the relevant hiring officials with an explanation of how and when the individual may be appointed, consistent with all applicable laws; and

(5) overseeing any other agency programs designed to increase hiring of individuals with disabilities.

Subd. 3. **Audits; sanctions and incentives.** (a) The commissioner shall annually audit the record of each agency to determine the rate of compliance with affirmative action requirements. The commissioner must report all audit findings to the governor if a state agency fails to meet any of its affirmative action requirements for two consecutive years.

(b) By March 1 of each odd-numbered year, the commissioner shall submit a report on affirmative action progress of each agency and the state as a whole to the governor and to the Finance Committee of the senate, the Ways and Means Committee of the house of representatives, the Governmental Operations Committees of both houses of the legislature, and the Legislative Coordinating Commission. The report must include noncompetitive appointments made under section 43A.08, subdivision 2a, or 43A.15, subdivisions 3 to 7, 10, and 12, and cover each agency's rate of compliance with affirmative action requirements. The report must be made available to the public on the department's website.

(c) An agency that does not meet its hiring goals must justify its nonaffirmative action hires in competitive appointments and noncompetitive appointments made under section 43A.08, subdivisions 1, clauses (9), (11), and (16), and 2a; and section 43A.15, subdivisions 3, 10, 12, and 13, according to criteria issued by the department of ~~Management and Budget~~. In addition, an agency shall:

(1) demonstrate a good faith effort to recruit protected group members by following an active recruitment plan;

(2) implement a coordinated retention plan; and

(3) have an established complaint resolution procedure.

(d) The commissioner shall develop reporting standards and procedures for measuring compliance.

(e) An agency is encouraged to develop other innovative ways to promote awareness, acceptance, and appreciation for diversity and affirmative action. These innovations will be considered when evaluating an agency's compliance with this section.

(f) An agency not in compliance with affirmative action requirements of this section must identify methods and programs to improve performance, to reallocate resources internally in order to increase support for affirmative action programs, and to submit program and resource reallocation proposals to the commissioner for approval. An agency must submit these proposals within 120 days of being notified by the commissioner that it is out of compliance with affirmative action requirements. The commissioner shall monitor quarterly the affirmative action programs of an agency found to be out of compliance.

(g) The commissioner shall establish a program to recognize an agency that has made significant and measurable progress in implementing an affirmative action plan.

(h) The commissioner must maintain and make available, on an annual basis, summary data as defined in section 13.02, subdivision 19, on the percentage of members of each protected group as defined in section 43A.02, subdivision 33, that were hired in the executive branch in each of the federal Equal Employment Opportunity (EEO) occupational categories applicable to state employment. Nothing in this provision, however, shall require any person to disclose their protected

group status, nor shall it require the commissioner or any appointing authority to determine the protected group status of any person.

Sec. 17. Minnesota Statutes 2022, section 43A.21, subdivision 1, is amended to read:

Subdivision 1. **Authority; purpose.** The commissioner, in coordination with the statewide ADA and disability employment director and chief inclusion officer, shall develop and interpret policy and administer and, to the extent possible, conduct programs in training and development for employees to, at a minimum:

(1) promote individual, group and agency efficiency and effectiveness;

(2) build employee capacity to deliver accessible and inclusive services to the public, including people with disabilities; and

(3) support an inclusive work environment for employees with disabilities and employees of other protected classes.

Sec. 18. Minnesota Statutes 2022, section 43A.21, subdivision 2, is amended to read:

Subd. 2. **Responsibilities.** (a) The commissioner is responsible for developing and coordinating consistent training policy which shall be binding on all state agencies in the executive branch. The policies shall include conditions under which employees may receive or be assigned to training; internships and work-training programs; minimum and maximum training standards for employee participation and agency reporting requirements. At a minimum, state employees must receive annual training on statutes or policies related to:

(1) Title II of the Americans with Disabilities Act;

(2) the state's affirmative action policy;

(3) equal opportunity employment; and

(4) digital accessibility standards.

(b) Career development training is a permissive subject of collective bargaining. Each appointing authority in the executive branch, including the Minnesota State Retirement System and the Teachers Retirement Association, is primarily responsible for planning, budgeting, conducting and evaluating training programs.

Sec. 19. Minnesota Statutes 2022, section 43A.21, subdivision 3, is amended to read:

Subd. 3. **Programs.** (a) The commissioner or the commissioner's designee shall design and implement management training and development programs for the state service. The programs shall include but not be limited to mandatory training and development requirements for managers and supervisors. No person shall acquire permanent status in a management or supervisory position in the classified service until training and development requirements have been met.

(b) All managers and supervisors must receive training on inclusive work environments, disability awareness, cultural competence, and other equity and diversity areas.

(c) Agencies shall conduct an annual Americans with Disabilities Act self-assessment to ensure training programs meet the standards for universal design in learning.

Sec. 20. Minnesota Statutes 2022, section 43A.21, is amended by adding a subdivision to read:

Subd. 6. **Accessibility.** The commissioner must ensure that all training content and platforms meet the accessibility standards under section 16E.03, subdivisions 2, clause (3), and 9. Reasonable accommodations must be implemented in a timely and appropriate manner to ensure that all state employees can participate in state-offered trainings. All state employees, including ADA coordinators and human resources staff, must have the training and resources to implement an accessible and inclusive workplace.

Sec. 21. Minnesota Statutes 2022, section 43A.36, subdivision 1, is amended to read:

Subdivision 1. **Cooperation; state agencies.** (a) The commissioner may delegate administrative functions associated with the duties of the commissioner to appointing authorities who have the capability to perform such functions when the commissioner determines that it is in the best interests of the state civil service. The commissioner shall consult with agencies and agencies shall cooperate as appropriate in implementation of this chapter.

(b) The commissioner, in conjunction with appointing authorities, shall analyze and assess current and future human resource requirements of the civil service and coordinate personnel actions throughout the civil service to meet the requirements. The commissioner shall provide recruiting assistance and make the applicant database available to appointing authorities to use in making appointments to positions in the unclassified service.

(c) The head of each agency in the executive branch shall designate an agency personnel officer. The agency personnel officer shall be accountable to the agency head for all personnel functions prescribed by laws, rules, collective bargaining agreements, the commissioner and the agency head. Except when otherwise prescribed by the agency head in a specific instance, the personnel officer shall be assumed to be the authority accountable to the agency head over any other officer or employee in the agency for personnel functions.

(d) The head of each agency in the executive branch shall designate an affirmative action officer who shall have primary responsibility for the administration of the agency's affirmative action plan. The officer shall report directly to the head of the agency on affirmative action matters.

(e) Pursuant to section 43A.431, the head of each agency in the executive branch shall designate an ADA coordinator who shall have primary responsibility for the administration of ADA policies, procedures, trainings, requests, and arbitration. The coordinator shall report directly to the commissioner.

Sec. 22. Minnesota Statutes 2022, section 43A.421, is amended to read:

43A.421 SUPPORTED WORK PROGRAM.

Subdivision 1. **Program established.** ~~A total of 50 full-time~~ Active positions within agencies of state government may be selected for inclusion for a supported work program for persons with ~~severe~~ significant disabilities. A full-time position may be shared by up to three persons with ~~severe~~

significant disabilities and their job coach. The job coach is not a state employee within the scope of section 43A.02, subdivision 21, or 179A.03, subdivision 14, unless the job coach holds another position within the scope of section 43A.02, subdivision 21, or 179A.03, subdivision 14. All classified supported work job postings need to link to the overview and application process for the supported work program.

Subd. 2. **Responsibilities.** (a) The commissioner is responsible for the administration and oversight of the supported work program, including the establishment of policies and procedures, data collection and reporting requirements, and compliance.

(b) The commissioner or the commissioner's designee shall design and implement a training curriculum for the supported work program. All executive leaders, managers, supervisors, human resources professionals, affirmative action officers, and Americans with Disabilities Act coordinators must receive annual training regarding the program.

(c) The commissioner or the commissioner's designee shall develop, administer, and make public a formal grievance process for individuals in the program.

Sec. 23. **[43A.431] AMERICANS WITH DISABILITIES ACT COORDINATORS.**

(a) Each state agency shall designate at least one ADA coordinator who is responsible for implementation of Title I of the ADA, to advance the prohibition on discrimination against qualified individuals with disabilities in job application procedures, hiring, firing, advancement, compensation, job training and other terms, conditions, and privileges of employment. The ADA coordinator must have demonstrated knowledge and experience in:

- (1) the recruitment, selection, development, and retention of people with disabilities;
- (2) workforce data analysis;
- (3) disability employment laws and regulations; and
- (4) strategy development for universal and inclusive workplaces.

(b) The ADA coordinator is responsible for overseeing the development, implementation, monitoring, and evaluation of effective strategies to attract, engage, and advance people with disabilities. This includes assisting employees with identifying, acquiring, and maintaining effective accommodations and submitting reimbursement requests to the statewide accommodation fund under section 16B.4805.

(c) The ADA coordinator is responsible for collecting data and preparing reports to ensure transparency and accountability and must serve as a key liaison for disability employment and training initiatives.

Sec. 24. **ADVISORY COMMITTEE ON SERVICE WORKER STANDARDS.**

The commissioner of management and budget shall convene an advisory committee to review and make recommendations regarding updates and clarifications to the service worker class specifications under Minnesota Statutes, section 43A.071. By January 15, 2024, the commissioner

shall report to the legislative committees with jurisdiction over state government employees on recommendations for changes to Minnesota Statutes, section 43A.071."

Delete the title and insert:

"A bill for an act relating to government operations; establishing a biennial budget; appropriating money for the legislature, certain constitutional offices and state agencies, Minnesota Historical Society, Minnesota Humanities Center, State Lottery, certain retirement accounts, certain offices, departments, boards, commissions, councils, general contingent account, and tort claims; transferring certain funds; providing revenue recapture; requiring appropriation reduction for executive agencies; canceling a certain general fund appropriation; making changes to policy provisions for state government operations, local government policy, elections administration, campaign finance, information technology and cybersecurity, grants oversight, and state employees with disabilities; providing penalties; requiring reports; amending Minnesota Statutes 2022, sections 1.135, subdivisions 2, 4, 6, by adding a subdivision; 1.141, subdivision 1; 3.011; 3.012; 3.099, subdivision 3; 3.195, subdivision 1; 3.303, subdivision 6; 3.855, subdivisions 2, 3, 5, by adding a subdivision; 3.888, subdivision 5, by adding subdivisions; 3.97, subdivision 2; 3.972, subdivision 3; 3.978, subdivision 2; 3.979, subdivisions 2, 3, by adding a subdivision; 4.045; 5.30, subdivision 2; 5B.06; 6.91, subdivision 4; 9.031, subdivision 3; 10.44; 10.45; 10.5805; 10A.01, subdivisions 5, 21, 26, 30, by adding subdivisions; 10A.022, subdivision 3; 10A.025, subdivision 4; 10A.03, subdivision 2, by adding a subdivision; 10A.04, subdivisions 3, 4, 6, 9; 10A.05; 10A.06; 10A.071, subdivision 1; 10A.09, subdivision 5, by adding a subdivision; 10A.121, subdivisions 1, 2; 10A.15, subdivisions 3, 5, by adding subdivisions; 10A.17, subdivision 5, by adding a subdivision; 10A.20, subdivisions 2a, 5, 12; 10A.244; 10A.25, subdivision 3a; 10A.271, subdivision 1; 10A.273, subdivision 1; 10A.275, subdivision 1; 10A.31, subdivision 4; 10A.38; 12.03, by adding subdivisions; 12.31, subdivision 2; 12.36; 13.04, subdivision 4; 13D.02, subdivision 1; 15.0395; 15.066, by adding a subdivision; 15A.0815, subdivisions 1, 2; 15A.082, subdivisions 1, 2, 3, 4, by adding a subdivision; 15A.0825, subdivisions 1, 2, 3, 4, 9; 16A.011, by adding a subdivision; 16A.055, by adding a subdivision; 16A.103, subdivisions 1, 1b, as amended, by adding a subdivision; 16A.122, subdivision 2; 16A.126, subdivision 1; 16A.1286, subdivision 2; 16A.15, subdivision 3; 16A.152, subdivisions 2, 4; 16A.632, subdivision 2; 16A.97; 16B.307, subdivision 1; 16B.32, subdivisions 1, 1a; 16B.33, subdivisions 1, 3, 3a, by adding a subdivision; 16B.4805, subdivision 1; 16B.58, by adding a subdivision; 16B.87, subdivision 2; 16B.97, subdivisions 2, 3, 4; 16B.98, subdivisions 5, 6, 8, by adding subdivisions; 16B.991; 16C.10, subdivision 2; 16C.16, subdivisions 6, 6a, 7; 16C.19; 16C.251; 16C.32, subdivision 1; 16C.36; 16E.01, subdivisions 1a, 3, by adding a subdivision; 16E.016; 16E.03, subdivisions 2, 4a, by adding a subdivision; 16E.14, subdivision 4; 16E.21, subdivisions 1, 2; 43A.01, subdivision 2; 43A.02, by adding subdivisions; 43A.04, subdivisions 1a, 4, 7; 43A.06, subdivision 1; 43A.08, subdivision 1; 43A.09; 43A.10, subdivisions 2a, 7; 43A.14; 43A.15, subdivision 14, by adding a subdivision; 43A.18, subdivision 1; 43A.19, subdivision 1; 43A.191; 43A.21, subdivisions 1, 2, 3, by adding a subdivision; 43A.36, subdivision 1; 43A.421; 116J.994, subdivision 3; 118A.09, subdivisions 1, 2, 3; 135A.17, subdivision 2; 137.0245, subdivision 2, by adding a subdivision; 138.081, subdivision 3; 138.665, subdivision 2; 138.912, subdivisions 1, 2; 145.951; 155A.23, subdivisions 8, 18, by adding a subdivision; 155A.27, subdivisions 1, 5a, 10; 155A.271, subdivision 1; 155A.29, subdivision 1; 161.1419, subdivision 2; 179A.03, subdivision 14; 179A.22, subdivision 4; 200.02, subdivision 7; 201.014, subdivision 2a, as added; 201.022, subdivision 1; 201.061, subdivisions 1, 3, by adding a subdivision; 201.071, subdivisions 1, as amended, 8; 201.091, subdivision 4a; 201.12, subdivision 2; 201.121, subdivision 1; 201.13,

subdivision 3; 201.145, subdivisions 3, 4; 201.1611, subdivision 1, by adding a subdivision; 201.195; 201.225, subdivision 2; 202A.13; 202A.18, subdivision 2a; 203B.001; 203B.01, by adding subdivisions; 203B.03, subdivision 1, by adding a subdivision; 203B.05, subdivision 1; 203B.06, subdivision 3; 203B.07, subdivisions 1, 2, 3; 203B.08, subdivisions 1, 3; 203B.081, subdivisions 1, 3, by adding subdivisions; 203B.085; 203B.11, subdivisions 1, 2, 4; 203B.12, subdivisions 7, 8, by adding a subdivision; 203B.121, subdivisions 1, 2, 3, 4; 203B.16, subdivision 2; 203B.21, subdivisions 1, 3; 203B.23, subdivision 2; 203B.24, subdivision 1; 204B.06, subdivisions 1, 1b, 4a, by adding a subdivision; 204B.071; 204B.09, subdivisions 1, 3; 204B.13, by adding a subdivision; 204B.14, subdivision 2; 204B.16, subdivision 1; 204B.19, subdivision 6; 204B.21, subdivision 2; 204B.26; 204B.28, subdivision 2; 204B.32, subdivision 2; 204B.35, by adding a subdivision; 204B.45, subdivisions 1, 2, by adding a subdivision; 204B.46; 204B.49; 204C.04, subdivision 1; 204C.07, subdivision 4; 204C.10, as amended; 204C.15, subdivision 1; 204C.24, subdivision 1; 204C.28, subdivision 1; 204C.33, subdivision 3; 204C.35, by adding a subdivision; 204C.39, subdivision 1; 204D.08, subdivision 6; 204D.09, subdivision 2; 204D.13, subdivisions 2, 3, by adding a subdivision; 204D.16; 204D.25, subdivision 1; 205.13, subdivision 5; 205.16, subdivision 2; 205.175, subdivision 3; 205A.09, subdivision 2; 205A.10, subdivision 5; 205A.12, subdivision 5; 206.58, subdivisions 1, 3; 206.61, subdivision 1; 206.80; 206.83; 206.845, subdivision 1, by adding a subdivision; 206.86, by adding a subdivision; 206.90, subdivision 10; 207A.12; 207A.15, subdivision 2; 208.05; 209.021, subdivision 2; 211A.02, subdivision 1; 211B.11, subdivision 1; 211B.15, subdivisions 4a, as added, 8; 211B.20, subdivision 1; 211B.32, subdivision 1, as amended; 307.08; 349A.02, subdivision 1; 367.03, subdivision 6; 381.12, subdivision 2; 383B.145, by adding a subdivision; 383B.32, subdivision 2; 428A.01, by adding subdivisions; 428A.02, subdivision 1; 428A.03, by adding a subdivision; 447.32, subdivision 4; 462A.22, subdivision 10; 471.345, by adding a subdivision; 473.606, subdivision 5; 473.704, subdivision 3; 507.0945; 645.44, subdivision 5, as amended; Laws 2023, chapter 5, sections 1; 2; Laws 2023, chapter 34, article 2, section 1; proposing coding for new law in Minnesota Statutes, chapters 1; 2; 3; 5; 8; 10A; 15; 16A; 16B; 16E; 43A; 118A; 134; 138; 155A; 203B; 208; 211B; 381; 412; 471; repealing Minnesota Statutes 2022, sections 1.135, subdivisions 3, 5; 1.141, subdivisions 3, 4, 6; 4A.01; 4A.04; 4A.06; 4A.07; 4A.11; 12.03, subdivision 5d; 15A.0815, subdivisions 3, 4, 5; 16A.98; 16B.24, subdivision 13; 16B.323; 16B.326; 16E.0466, subdivision 2; 43A.17, subdivision 9; 124D.23, subdivision 9; 136F.03; 179.90; 179.91; 202A.16, subdivisions 1, 2, 3; 203B.081, subdivision 2; 204D.04, subdivision 1; 383B.143, subdivisions 2, 3; 383C.806; Laws 2014, chapter 287, section 25, as amended; Laws 2023, chapter 34, article 4, section 1, subdivision 2; Minnesota Rules, parts 4511.0100, subpart 1a; 4511.0600, subpart 5."

We request the adoption of this report and repassage of the bill.

House Conferees: Ginny Klevorn, Mike Freiberg, Emma Greenman, John Huot

Senate Conferees: Erin Murphy, Jim Carlson, Nicole Mitchell, Bonnie Westlin, Liz Boldon

Senator Murphy moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1830 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Senator Anderson moved that the recommendations and Conference Committee Report on H.F. No. 1830 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 Anderson motion.

The roll was called, and there were yeas 31 and nays 33, as follows:

Those who voted in the affirmative were:

Abeler	Duckworth	Jasinski	Lucero	Utke
Anderson	Eichorn	Johnson	Mathews	Weber
Bahr	Farnsworth	Koran	Miller	Wesenberg
Coleman	Green	Kreun	Nelson	
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 Senators: Housley, Lieske, and Miller.

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	Xiong
Dziedzic	Klein	McEwen	Pha	
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Kunesh cast the negative vote on behalf of the following Senators: Fateh, Mann, and Rest.

The motion did not prevail.

The question recurred on the adoption of the Murphy motion.

The roll was called, and there were yeas 34 and nays 30, 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 Kunesh cast the affirmative vote on behalf of the following Senators: Dziedzic, Fateh, Mann, and Rest.

Those who voted in the negative were:

Abeler	Drazkowski	Housley	Lieske	Pratt
Anderson	Duckworth	Howe	Limmer	Rarick
Bahr	Eichorn	Jasinski	Lucero	Rasmusson
Coleman	Farnsworth	Koran	Mathews	Utke
Dornink	Green	Kreun	Miller	Weber
Draheim	Gruenhagen	Lang	Nelson	Wesenberg

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Housley, Lieske, Miller, and Nelson.

The motion prevailed. So the recommendations and Conference Committee report were adopted.

H.F. No. 1830 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 31, 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 Boldon cast the affirmative vote on behalf of the following Senators: Fateh, Mann, and Rest.

Those who voted in the negative were:

Abeler	Duckworth	Jasinski	Lucero	Utke
Anderson	Eichorn	Johnson	Mathews	Weber
Bahr	Farnsworth	Koran	Miller	Wesenberg
Coleman	Green	Kreun	Nelson	
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: Housley, Lieske, Miller, Nelson, and Wesenberg.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

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. 100, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 100 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. 100

A bill for an act relating to cannabis; establishing the Office of Cannabis Management; establishing advisory councils; requiring reports relating to cannabis use and sales; legalizing and limiting the possession and use of cannabis and certain hemp products by adults; providing for the licensing, inspection, and regulation of cannabis businesses and hemp businesses; requiring testing of cannabis flower, cannabis products, and certain hemp products; requiring labeling of cannabis flower, cannabis products, and certain hemp products; limiting the advertisement of cannabis flower, cannabis products, and cannabis businesses, and hemp businesses; providing for the cultivation of cannabis in private residences; transferring regulatory authority for the medical cannabis program; taxing the sale of cannabis flower, cannabis products, and certain hemp products; establishing grant and loan programs; clarifying the prohibition on operating a motor vehicle while under the influence of certain products and chemicals; amending criminal penalties; establishing expungement procedures for certain individuals; requiring reports on expungements; providing for expungement of certain evictions; clarifying the rights of landlords and tenants regarding use of certain forms of cannabis; establishing labor standards for the use of cannabis flower, cannabis products, and certain hemp products by employees and testing of employees; providing for the temporary regulation of certain edible cannabinoid products; providing for professional licensing protections; providing for local registration of certain cannabis businesses and hemp businesses operating retail establishments; amending the scheduling of marijuana and tetrahydrocannabinols; classifying data; making miscellaneous cannabis-related changes and additions; making clarifying and technical changes; appropriating money; amending Minnesota Statutes 2022, sections 13.411, by adding a subdivision; 13.871, by adding a subdivision; 34A.01, subdivision 4; 144.99, subdivision 1; 144A.4791, subdivision 14; 151.72; 152.01, by adding subdivisions; 152.02, subdivisions 2, 4; 152.021, subdivisions 1, 2; 152.022, subdivisions 1, 2; 152.023, subdivisions 1, 2; 152.024, subdivision 1; 152.025, subdivisions 1, 2; 152.11, subdivision 2; 152.22, by adding subdivisions; 152.29, subdivision 4, by adding a subdivision; 152.30; 152.32; 152.33, subdivision 1; 169A.03, by adding subdivisions; 169A.20, subdivision 1; 169A.31, subdivision 1; 169A.51, subdivisions 1, 4; 169A.72; 175.45, subdivision 1; 181.938, subdivision 2; 181.950, subdivisions 2, 4, 5, 8, 13, by adding a subdivision; 181.951, subdivisions 4, 5, 6, by adding subdivisions; 181.952, by adding a subdivision; 181.953; 181.954; 181.955; 181.957, subdivision 1; 244.05, subdivision 2; 245C.08, subdivision 1; 256.01, subdivision 18c; 256B.0625, subdivision 13d; 256D.024, subdivisions 1, 3; 256J.26, subdivisions 1, 3; 270B.12, by adding a subdivision; 273.13, subdivision 24; 275.025, subdivision 2; 290.0132, subdivision 29; 290.0134, subdivision 19; 297A.61, subdivision 3; 297A.67, subdivisions 2, 7; 297A.70, subdivisions 2, 4, 18; 297A.85; 297D.01; 297D.04; 297D.06; 297D.07; 297D.08; 297D.085; 297D.09, subdivision 1a; 297D.10; 297D.11; 340A.412, subdivision 14; 484.014, subdivision 3; 504B.171, subdivision 1; 609.2112, subdivision 1; 609.2113, subdivisions 1, 2, 3; 609.2114, subdivisions 1, 2; 609.5311, subdivision 1; 609.5314, subdivision 1; 609.5316, subdivision 2; 609A.01; 609A.03, subdivisions 5, 9; 609B.425, subdivision 2; 609B.435, subdivision 2; 624.712, by adding subdivisions; 624.713, subdivision 1; 624.714, subdivision 6; 624.7142, subdivision 1; 624.7151; proposing coding for new law in Minnesota Statutes, chapters 3; 116J; 116L; 120B; 144; 152; 169A; 270C; 289A; 295; 340A; 504B; 609A; 624; proposing coding for new law as Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2022, sections 151.72; 152.027, subdivisions 3, 4; 152.21; 152.22, subdivisions 1, 2, 3, 4, 5, 5a, 5b, 6, 7, 8, 9, 10, 11, 12, 13, 14; 152.23; 152.24; 152.25, subdivisions 1, 1a, 1b, 1c, 2, 3, 4; 152.26; 152.261; 152.27, subdivisions 1, 2, 3, 4, 5, 6, 7; 152.28, subdivisions 1, 2, 3; 152.29, subdivisions 1, 2, 3, 3a, 4; 152.30; 152.31; 152.32, subdivisions

1, 2, 3; 152.33, subdivisions 1, 1a, 2, 3, 4, 5, 6; 152.34; 152.35; 152.36, subdivisions 1, 1a, 2, 3, 4, 5; 152.37.

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. 100 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. 100 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

REGULATION OF ADULT-USE CANNABIS

Section 1. [342.01] DEFINITIONS.

Subdivision 1. **Terms.** For the purposes of this chapter, the following terms have the meanings given them.

Subd. 2. **Adult-use cannabis concentrate.** "Adult-use cannabis concentrate" means cannabis concentrate that is approved for sale by the office or is substantially similar to a product approved by the office. Adult-use cannabis concentrate does not include any artificially derived cannabinoid.

Subd. 3. **Adult-use cannabis flower.** "Adult-use cannabis flower" means cannabis flower that is approved for sale by the office or is substantially similar to a product approved by the office. Adult-use cannabis flower does not include medical cannabis flower, hemp plant parts, or hemp-derived consumer products.

Subd. 4. **Adult-use cannabis product.** "Adult-use cannabis product" means a cannabis product that is approved for sale by the office or is substantially similar to a product approved by the office. Adult-use cannabis product includes edible cannabis products but does not include medical cannabinoid products or lower-potency hemp edibles.

Subd. 5. **Advertisement.** "Advertisement" means any written or oral statement, illustration, or depiction that is intended to promote sales of cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or sales at a specific cannabis business or hemp business and includes any newspaper, radio, internet and electronic media, or television promotion; the distribution of fliers and circulars; and the display of window and interior signs in a cannabis business. Advertisement does not include a fixed outdoor sign that meets the requirements in section 342.64, subdivision 2, paragraph (b).

Subd. 6. **Artificially derived cannabinoid.** "Artificially derived cannabinoid" means a cannabinoid extracted from a cannabis plant, cannabis flower, hemp plant, or hemp plant parts with a chemical makeup that is changed after extraction to create a different cannabinoid or other chemical compound by applying a catalyst other than heat or light. Artificially derived cannabinoid includes but is not limited to any tetrahydrocannabinol created from cannabidiol but does not include cannabis concentrate, cannabis products, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 7. **Batch.** "Batch" means:

(1) a specific quantity of cannabis plants that are cultivated from the same seed or plant stock, are cultivated together, are intended to be harvested together, and receive an identical propagation and cultivation treatment;

(2) a specific quantity of cannabis flower that is harvested together; is uniform and intended to meet specifications for identity, strength, purity, and composition; and receives identical sorting, drying, curing, and storage treatment; or

(3) a specific quantity of a specific cannabis product, lower-potency hemp edible, artificially derived cannabinoid, hemp-derived consumer product, or hemp-derived topical product that is manufactured at the same time and using the same methods, equipment, and ingredients that is uniform and intended to meet specifications for identity, strength, purity, and composition, and that is manufactured, packaged, and labeled according to a single batch production record executed and documented.

Subd. 8. **Batch number.** "Batch number" means a unique numeric or alphanumeric identifier assigned to a batch of cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, artificially derived cannabinoid, hemp-derived consumer products, or hemp-derived topical products.

Subd. 9. **Bona fide labor organization.** "Bona fide labor organization" means a labor union that represents or is actively seeking to represent cannabis workers.

Subd. 10. **Cannabinoid.** "Cannabinoid" means any of the chemical constituents of hemp plants or cannabis plants that are naturally occurring, biologically active, and act on the cannabinoid receptors of the brain. Cannabinoid includes but is not limited to tetrahydrocannabinol and cannabidiol.

Subd. 11. **Cannabinoid extraction.** "Cannabinoid extraction" means the process of extracting cannabis concentrate from cannabis plants or cannabis flower using heat, pressure, water, lipids, gases, solvents, or other chemicals or chemical processes, but does not include the process of extracting concentrate from hemp plants or hemp plant parts or the process of creating any artificially derived cannabinoid.

Subd. 12. **Cannabinoid product.** "Cannabinoid product" means a cannabis product, a hemp-derived consumer product, or a lower-potency hemp edible.

Subd. 13. **Cannabinoid profile.** "Cannabinoid profile" means the amounts of each cannabinoid that the office requires to be identified in testing and labeling, including but not limited to delta-9

tetrahydrocannabinol, tetrahydrocannabinolic acid, cannabidiol, and cannabidiolic acid in cannabis flower, a cannabis product, a batch of artificially derived cannabinoid, a lower-potency hemp edible, a hemp-derived consumer product, or a hemp-derived topical product expressed as percentages measured by weight and, in the case of cannabis products, lower-potency hemp edibles, and hemp-derived consumer products, expressed as milligrams in each serving and package.

Subd. 14. **Cannabis business.** "Cannabis business" means any of the following licensed under this chapter:

- (1) cannabis microbusiness;
- (2) cannabis mezzobusiness;
- (3) cannabis cultivator;
- (4) cannabis manufacturer;
- (5) cannabis retailer;
- (6) cannabis wholesaler;
- (7) cannabis transporter;
- (8) cannabis testing facility;
- (9) cannabis event organizer;
- (10) cannabis delivery service;
- (11) medical cannabis cultivator;
- (12) medical cannabis processor;
- (13) medical cannabis retailer; and
- (14) medical cannabis combination business.

Subd. 15. **Cannabis concentrate.** (a) "Cannabis concentrate" means:

- (1) the extracts and resins of a cannabis plant or cannabis flower;
- (2) the extracts or resins of a cannabis plant or cannabis flower that are refined to increase the presence of targeted cannabinoids; or
- (3) a product that is produced by refining extracts or resins of a cannabis plant or cannabis flower and is intended to be consumed by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product.

(b) Cannabis concentrate does not include hemp concentrate, artificially derived cannabinoid, or hemp-derived consumer products.

Subd. 16. **Cannabis flower.** "Cannabis flower" means the harvested flower, bud, leaves, and stems of a cannabis plant. Cannabis flower includes adult-use cannabis flower and medical cannabis flower. Cannabis flower does not include cannabis seed, hemp plant parts, or hemp-derived consumer products.

Subd. 17. **Cannabis industry.** "Cannabis industry" means every item, product, person, process, action, business, or other thing related to cannabis flower and cannabis products and subject to regulation under this chapter.

Subd. 18. **Cannabis paraphernalia.** "Cannabis paraphernalia" means all equipment, products, and materials of any kind that are knowingly or intentionally used primarily in:

(1) manufacturing cannabis products;

(2) ingesting, inhaling, or otherwise introducing cannabis flower or cannabis products into the human body; and

(3) testing the strength, effectiveness, or purity of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 19. **Cannabis plant.** "Cannabis plant" means all parts of the plant of the genus Cannabis that is growing or has not been harvested and has a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent on a dry weight basis.

Subd. 20. **Cannabis product.** (a) "Cannabis product" means any of the following:

(1) cannabis concentrate;

(2) a product infused with cannabinoids, including but not limited to tetrahydrocannabinol, extracted or derived from cannabis plants or cannabis flower; or

(3) any other product that contains cannabis concentrate.

(b) Cannabis product includes adult-use cannabis products, including but not limited to edible cannabis products and medical cannabinoid products. Cannabis product does not include cannabis flower, artificially derived cannabinoid, lower-potency hemp edibles, hemp-derived consumer products, or hemp-derived topical products.

Subd. 21. **Cannabis prohibition.** "Cannabis prohibition" means the system of state and federal laws that prevented establishment of a legal market and instead established petty offenses and criminal offenses punishable by fines, imprisonment, or both for the cultivation, possession, and sale of all parts of the plant of any species of the genus Cannabis, including all agronomical varieties, whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds, or resin.

Subd. 22. **Cannabis seed.** "Cannabis seed" means the viable seed of the plant of the genus Cannabis that is reasonably expected to grow into a cannabis plant. Cannabis seed does not include hemp seed.

Subd. 23. **Cannabis worker.** "Cannabis worker" means any individual employed by a cannabis business and any individual who is a contractor of a cannabis business whose scope of work involves the handling of cannabis plants, cannabis flower, or cannabis products.

Subd. 24. **Child-resistant.** "Child-resistant" means packaging that meets the poison prevention packaging standards in Code of Federal Regulations, title 16, section 1700.15.

Subd. 25. **Cooperative.** "Cooperative" means an association conducting business on a cooperative plan that is organized or is subject to chapter 308A or 308B.

Subd. 26. **Council.** "Council" means the Cannabis Advisory Council.

Subd. 27. **Cultivation.** "Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis plants, cannabis flower, hemp plants, or hemp plant parts.

Subd. 28. **Division of Medical Cannabis.** "Division of Medical Cannabis" means a division housed in the Office of Cannabis Management that operates the medical cannabis program.

Subd. 29. **Division of Social Equity** "Division of Social Equity" means a division housed in the Office of Cannabis Management that promotes development, stability, and safety in communities that have experienced a disproportionate, negative impact from cannabis prohibition and usage.

Subd. 30. **Drug.** "Drug" has the meaning given in section 151.01, subdivision 5.

Subd. 31. **Edible cannabis product.** "Edible cannabis product" means any product that is intended to be eaten or consumed as a beverage by humans; contains a cannabinoid other than an artificially derived cannabinoid in combination with food ingredients; is not a drug; and is a type of product approved for sale by the office, or is substantially similar to a product approved by the office including but not limited to products that resemble nonalcoholic beverages, candy, and baked goods. Edible cannabis product does not include lower-potency hemp edibles.

Subd. 32. **Health care practitioner.** "Health care practitioner" means a Minnesota-licensed doctor of medicine, a Minnesota-licensed physician assistant acting within the scope of authorized practice, or a Minnesota-licensed advanced practice registered nurse who has an active license in good standing and the primary responsibility for the care and treatment of the qualifying medical condition of an individual diagnosed with a qualifying medical condition.

Subd. 33. **Health record.** "Health record" has the meaning given in section 144.291, subdivision 2.

Subd. 34. **Hemp business.** (a) "Hemp business" means either of the following licensed under this chapter:

(1) lower-potency hemp edible manufacturer; or

(2) lower-potency hemp edible retailer.

(b) Hemp business does not include a person or entity licensed under chapter 18K to grow industrial hemp for commercial or research purposes or to process industrial hemp for commercial purposes.

Subd. 35. **Hemp concentrate.** (a) "Hemp concentrate" means:

(1) the extracts and resins of a hemp plant or hemp plant parts;

(2) the extracts or resins of a hemp plant or hemp plant parts that are refined to increase the presence of targeted cannabinoids; or

(3) a product that is produced by refining extracts or resins of a hemp plant or hemp plant parts and is intended to be consumed by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product.

(b) Hemp concentrate does not include artificially derived cannabinoids, lower-potency hemp edibles, hemp-derived consumer products, or hemp-derived topical products.

Subd. 36. **Hemp consumer industry.** "Hemp consumer industry" means every item, product, person, process, action, business, or other thing related to artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products and subject to regulation under this chapter.

Subd. 37. **Hemp-derived consumer product.** (a) "Hemp-derived consumer product" means a product intended for human or animal consumption, does not contain cannabis flower or cannabis concentrate, and:

(1) contains or consists of hemp plant parts; or

(2) contains hemp concentrate or artificially derived cannabinoids in combination with other ingredients.

(b) Hemp-derived consumer product does not include artificially derived cannabinoids, lower-potency hemp edibles, hemp-derived topical products, hemp fiber products, or hemp grain.

Subd. 38. **Hemp-derived topical product.** "Hemp-derived topical product" means a product intended for human or animal consumption that contains hemp concentrate, is intended for application externally to a part of the body of a human or animal, and does not contain cannabis flower or cannabis concentrate.

Subd. 39. **Hemp fiber product.** "Hemp fiber product" means an intermediate or finished product made from the fiber of hemp plant parts that is not intended for human or animal consumption. Hemp fiber product includes but is not limited to cordage, paper, fuel, textiles, bedding, insulation, construction materials, compost materials, and industrial materials.

Subd. 40. **Hemp grain.** "Hemp grain" means the harvested seeds of the hemp plant intended for consumption as a food or part of a food product. Hemp grain includes oils pressed or extracted from harvested hemp seeds.

Subd. 41. **Hemp plant.** "Hemp plant" means all parts of the plant of the genus Cannabis that is growing or has not been harvested and has a delta-9 tetrahydrocannabinol concentration of no more than 0.3 percent on a dry weight basis.

Subd. 42. **Hemp plant parts.** "Hemp plant parts" means any part of the harvested hemp plant, including the flower, bud, leaves, stems, and stalk, but does not include derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers that are separated from the plant. Hemp plant parts does not include hemp fiber products, hemp grain, or hemp seed.

Subd. 43. **Hemp seed.** "Hemp seed" means the viable seed of the plant of the genus Cannabis that is intended to be planted and is reasonably expected to grow into a hemp plant. Hemp seed does not include cannabis seed or hemp grain.

Subd. 44. **Hemp worker.** "Hemp worker" means any individual employed by a hemp business and any individual who is a contractor of a hemp business whose scope of work involves the handling of artificially derived cannabinoids, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 45. **Industrial hemp.** "Industrial hemp" has the meaning given in section 18K.02, subdivision 3.

Subd. 46. **Intoxicating cannabinoid.** "Intoxicating cannabinoid" means a cannabinoid, including an artificially derived cannabinoid, that when introduced into the human body impairs the central nervous system or impairs the human audio, visual, or mental processes. Intoxicating cannabinoid includes but is not limited to any tetrahydrocannabinol.

Subd. 47. **Labor peace agreement.** "Labor peace agreement" means an agreement between a cannabis business and a bona fide labor organization that protects the state's interests by, at minimum, prohibiting the labor organization from engaging in picketing, work stoppages, or boycotts against the cannabis business.

Subd. 48. **License holder.** "License holder" means a person, cooperative, or business that holds any of the following licenses:

- (1) cannabis microbusiness;
- (2) cannabis mezzobusiness;
- (3) cannabis cultivator;
- (4) cannabis manufacturer;
- (5) cannabis retailer;
- (6) cannabis wholesaler;
- (7) cannabis transporter;
- (8) cannabis testing facility;

- (9) cannabis event organizer;
- (10) cannabis delivery service;
- (11) lower-potency hemp edible manufacturer;
- (12) lower-potency hemp edible retailer;
- (13) medical cannabis cultivator;
- (14) medical cannabis processor;
- (15) medical cannabis retailer; or
- (16) medical cannabis combination business.

Subd. 49. **Local unit of government.** "Local unit of government" means a home rule charter or statutory city, county, town, or other political subdivision.

Subd. 50. **Lower-potency hemp edible.** "Lower-potency hemp edible" means any product that:

- (1) is intended to be eaten or consumed as a beverage by humans;
- (2) contains hemp concentrate or an artificially derived cannabinoid, in combination with food ingredients;
- (3) is not a drug;
- (4) consists of servings that contain no more than five milligrams of delta-9 tetrahydrocannabinol, 25 milligrams of cannabidiol, 25 milligrams of cannabigerol, or any combination of those cannabinoids that does not exceed the identified amounts;
- (5) does not contain more than a combined total of 0.5 milligrams of all other cannabinoids per serving;
- (6) does not contain an artificially derived cannabinoid other than delta-9 tetrahydrocannabinol;
- (7) does not contain a cannabinoid derived from cannabis plants or cannabis flower; and
- (8) is a type of product approved for sale by the office or is substantially similar to a product approved by the office, including but not limited to products that resemble nonalcoholic beverages, candy, and baked goods.

Subd. 51. **Matrix barcode.** "Matrix barcode" means a code that stores data in a two-dimensional array of geometrically shaped dark and light cells capable of being read by the camera on a smartphone or other mobile device.

Subd. 52. **Medical cannabinoid product.** (a) "Medical cannabinoid product" means a product that:

(1) consists of or contains cannabis concentrate or hemp concentrate or is infused with cannabinoids, including but not limited to artificially derived cannabinoids; and

(2) is provided to a patient enrolled in the registry program; a registered designated caregiver; or a parent, legal guardian, or spouse of an enrolled patient, by a cannabis retailer or medical cannabis retailer to treat or alleviate the symptoms of a qualifying medical condition.

(b) A medical cannabinoid product must be in the form of:

(1) liquid, including but not limited to oil;

(2) pill;

(3) liquid or oil for use with a vaporized delivery method;

(4) water-soluble cannabinoid multiparticulate, including granules, powder, and sprinkles;

(5) orally dissolvable product, including lozenges, gum, mints, buccal tablets, and sublingual tablets;

(6) edible products in the form of gummies and chews;

(7) topical formulation; or

(8) any allowable form or delivery method approved by the office.

(c) Medical cannabinoid product does not include adult-use cannabis products or hemp-derived consumer products.

Subd. 53. **Medical cannabis business.** "Medical cannabis business" means an entity licensed under this chapter to engage in one or more of the following:

(1) the cultivation of cannabis plants for medical cannabis flower;

(2) the manufacture of medical cannabinoid products; and

(3) the retail sale of medical cannabis flower and medical cannabinoid products.

Subd. 54. **Medical cannabis flower.** "Medical cannabis flower" means cannabis flower provided to a patient enrolled in the registry program; a registered designated caregiver; or a parent, legal guardian, or spouse of an enrolled patient by a cannabis retailer or medical cannabis business to treat or alleviate the symptoms of a qualifying medical condition. Medical cannabis flower does not include adult-use cannabis flower.

Subd. 55. **Medical cannabis paraphernalia.** "Medical cannabis paraphernalia" means a delivery device, related supply, or educational material used by a patient enrolled in the registry program to administer medical cannabis and medical cannabinoid products.

Subd. 56. **Nonintoxicating cannabinoid.** "Nonintoxicating cannabinoid" means a cannabinoid that when introduced into the human body does not impair the central nervous system and does not

impair the human audio, visual, or mental processes. Nonintoxicating cannabinoid includes but is not limited to cannabidiol and cannabigerol but does not include any artificially derived cannabinoid.

Subd. 57. **Office.** "Office" means the Office of Cannabis Management.

Subd. 58. **Outdoor advertisement.** "Outdoor advertisement" means an advertisement that is located outdoors or can be seen or heard by an individual who is outdoors and includes billboards; advertisements on benches; advertisements at transit stations or transit shelters; advertisements on the exterior or interior of buses, taxis, light rail transit, or business vehicles; and print signs that do not meet the requirements in section 342.64, subdivision 2, paragraph (b), but that are placed or located on the exterior property of a cannabis business.

Subd. 59. **Patient.** "Patient" means a Minnesota resident who has been diagnosed with a qualifying medical condition by a health care practitioner and who has met all other requirements for patients under this chapter to participate in the registry program.

Subd. 60. **Patient registry number.** "Patient registry number" means a unique identification number assigned by the Division of Medical Cannabis to a patient enrolled in the registry program.

Subd. 61. **Plant canopy.** "Plant canopy" means the surface area within a cultivation facility that is used at any time to cultivate mature, flowering cannabis plants. For multiple tier cultivation, each tier of cultivation surface area contributes to the total plant canopy calculation. Calculation of the area of the plant canopy does not include the surface area within the cultivation facility that is used to cultivate immature cannabis plants and seedlings.

Subd. 62. **Propagule.** "Propagule" means seeds, clones, transplants, and any other propagative industrial hemp material.

Subd. 63. **Qualifying medical condition.** "Qualifying medical condition" means a diagnosis of any of the following conditions:

(1) Alzheimer's disease;

(2) autism spectrum disorder that meets the requirements of the fifth edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association;

(3) cancer, if the underlying condition or treatment produces one or more of the following:

(i) severe or chronic pain;

(ii) nausea or severe vomiting; or

(iii) cachexia or severe wasting;

(4) chronic motor or vocal tic disorder;

(5) chronic pain;

(6) glaucoma;

- (7) human immunodeficiency virus or acquired immune deficiency syndrome;
- (8) intractable pain as defined in section 152.125, subdivision 1, paragraph (c);
- (9) obstructive sleep apnea;
- (10) post-traumatic stress disorder;
- (11) Tourette's syndrome;
- (12) amyotrophic lateral sclerosis;
- (13) seizures, including those characteristic of epilepsy;
- (14) severe and persistent muscle spasms, including those characteristic of multiple sclerosis;
- (15) inflammatory bowel disease, including Crohn's disease;
- (16) irritable bowel syndrome;
- (17) obsessive-compulsive disorder;
- (18) sickle cell disease;
- (19) terminal illness, with a probable life expectancy of under one year, if the illness or its treatment produces one or more of the following:
 - (i) severe or chronic pain;
 - (ii) nausea or severe vomiting; or
 - (iii) cachexia or severe wasting; or
- (20) any other medical condition or its treatment approved by the office.

Subd. 64. **Registered designated caregiver.** "Registered designated caregiver" means an individual who:

- (1) is at least 18 years old;
- (2) is not disqualified for a criminal offense according to rules adopted pursuant to section 342.15, subdivision 2;
- (3) has been approved by the Division of Medical Cannabis to assist a patient with obtaining medical cannabis flower and medical cannabinoid products from a cannabis retailer or medical cannabis retailer and with administering medical cannabis flower and medical cannabinoid products; and
- (4) is authorized by the Division of Medical Cannabis to assist a patient with the use of medical cannabis flower and medical cannabinoid products.

Subd. 65. **Registry or registry program.** "Registry" or "registry program" means the patient registry established under this chapter listing patients authorized to obtain medical cannabis flower, medical cannabinoid products, and medical cannabis paraphernalia from cannabis retailers and medical cannabis retailers and administer medical cannabis flower and medical cannabinoid products.

Subd. 66. **Registry verification.** "Registry verification" means the verification provided by the Division of Medical Cannabis that a patient is enrolled in the registry program and that includes the patient's name, patient registry number, and, if applicable, the name of the patient's registered designated caregiver or parent, legal guardian, or spouse.

Subd. 67. **Restricted area.** "Restricted area" means an area where cannabis flower or cannabis products are cultivated, manufactured, or stored by a cannabis business.

Subd. 68. **Statewide monitoring system.** "Statewide monitoring system" means the system for integrated cannabis tracking, inventory, and verification established or adopted by the office.

Subd. 69. **Synthetic cannabinoid.** "Synthetic cannabinoid" means a substance with a similar chemical structure and pharmacological activity to a cannabinoid but is not extracted or derived from cannabis plants, cannabis flower, hemp plants, or hemp plant parts and is instead created or produced by chemical or biochemical synthesis.

Subd. 70. **Veteran.** "Veteran" means an individual who satisfies the requirements in section 197.447.

Subd. 71. **Visiting patient.** "Visiting patient" means an individual who is not a Minnesota resident and who possesses a valid registration verification card or its equivalent that is issued under the laws or regulations of another state, district, commonwealth, or territory of the United States verifying that the individual is enrolled in or authorized to participate in that jurisdiction's medical cannabis or medical marijuana program.

Subd. 72. **Volatile solvent.** "Volatile solvent" means any solvent that is or produces a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures. Volatile solvent includes but is not limited to butane, hexane, and propane.

Sec. 2. **[342.02] OFFICE OF CANNABIS MANAGEMENT.**

Subdivision 1. **Establishment.** The Office of Cannabis Management is created with the powers and duties established by law. In making rules, establishing policy, and exercising its regulatory authority over the cannabis industry and hemp consumer industry, the office must:

- (1) promote the public health and welfare;
- (2) protect public safety;
- (3) eliminate the illicit market for cannabis flower and cannabis products;
- (4) meet the market demand for cannabis flower and cannabis products;
- (5) promote a craft industry for cannabis flower and cannabis products; and

(6) prioritize growth and recovery in communities that have experienced a disproportionate, negative impact from cannabis prohibition.

Subd. 2. Powers and duties. (a) The office has the following powers and duties:

(1) to develop, maintain, and enforce an organized system of regulation for the cannabis industry and hemp consumer industry;

(2) to establish programming, services, and notification to protect, maintain, and improve the health of citizens;

(3) to prevent unauthorized access to cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products by individuals under 21 years of age;

(4) to establish and regularly update standards for product manufacturing, testing, packaging, and labeling, including requirements for an expiration, sell-by, or best-used-by date;

(5) to promote economic growth with an emphasis on growth in areas that experienced a disproportionate, negative impact from cannabis prohibition;

(6) to issue and renew licenses;

(7) to require fingerprints from individuals determined to be subject to fingerprinting, including the submission of fingerprints to the Federal Bureau of Investigation where required by law and to obtain criminal conviction data for individuals seeking a license from the office on the individual's behalf or as a cooperative member or director, manager, or general partner of a business entity;

(8) to receive reports required by this chapter and inspect the premises, records, books, and other documents of license holders to ensure compliance with all applicable laws and rules;

(9) to authorize the use of unmarked motor vehicles to conduct seizures or investigations pursuant to the office's authority;

(10) to impose and collect civil and administrative penalties as provided in this chapter;

(11) to publish such information as may be deemed necessary for the welfare of cannabis businesses, cannabis workers, hemp businesses, and hemp workers and the health and safety of citizens;

(12) to make loans and grants in aid to the extent that appropriations are made available for that purpose;

(13) to authorize research and studies on cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, hemp-derived consumer products, the cannabis industry, and the hemp consumer industry;

(14) to provide reports as required by law;

(15) to develop a warning label regarding the effects of the use of cannabis flower and cannabis products by persons 25 years of age or younger;

(16) to determine, based on a review of medical and scientific literature, whether it is appropriate to require additional health and safety warnings containing information that is both supported by credible science and helpful to consumers in considering potential health risks from the use of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products, including but not limited to warnings regarding any risks associated with use by pregnant or breastfeeding individuals, or by individuals planning to become pregnant, and the effects that use has on brain development for individuals under the age of 25;

(17) to establish limits on the potency of cannabis flower and cannabis products that can be sold to customers by licensed cannabis retailers, licensed cannabis microbusinesses, and licensed cannabis mezzobusinesses with an endorsement to sell cannabis flower and cannabis products to customers;

(18) to establish rules authorizing an increase in plant canopy limits and outdoor cultivation limits to meet market demand and limiting cannabis manufacturing consistent with the goals identified in subdivision 1; and

(19) to exercise other powers and authority and perform other duties required by law.

(b) In addition to the powers and duties in paragraph (a), the office has the following powers and duties until January 1, 2027:

(1) to establish limits on the potency of adult-use cannabis flower and adult-use cannabis products that can be sold to customers by licensed cannabis retailers, licensed cannabis microbusinesses, and licensed cannabis mezzobusinesses with an endorsement to sell adult-use cannabis flower and adult-use cannabis products to customers; and

(2) to permit, upon application to the office in the form prescribed by the director of the office, a licensee under this chapter to perform any activity if such permission is substantially necessary for the licensee to perform any other activity permitted by the applicant's license and is not otherwise prohibited by law.

Subd. 3. **Medical cannabis program.** (a) The powers and duties of the Department of Health with respect to the medical cannabis program under Minnesota Statutes 2022, sections 152.22 to 152.37, are transferred to the Office of Cannabis Management under section 15.039.

(b) The following protections shall apply to employees who are transferred from the Department of Health to the Office of Cannabis Management:

(1) the employment status and job classification of a transferred employee shall not be altered as a result of the transfer;

(2) transferred employees who were represented by an exclusive representative prior to the transfer shall continue to be represented by the same exclusive representative after the transfer;

(3) the applicable collective bargaining agreements with exclusive representatives shall continue in full force and effect for such transferred employees after the transfer;

(4) the state must meet and negotiate with the exclusive representatives of the transferred employees about any proposed changes affecting or relating to the transferred employees' terms and

conditions of employment to the extent such changes are not addressed in the applicable collective bargaining agreement; and

(5) for an employee in a temporary unclassified position transferred to the Office of Cannabis Management, the total length of time that the employee has served in the appointment shall include all time served in the appointment and the transferring agency and the time served in the appointment at the Office of Cannabis Management. An employee in a temporary unclassified position who was hired by a transferring agency through an open competitive selection process in accordance with a policy enacted by Minnesota Management and Budget shall be considered to have been hired through such process after the transfer.

Subd. 4. **Interagency agreements.** (a) The office and the commissioner of agriculture shall enter into interagency agreements to ensure that edible cannabis products and lower-potency hemp edibles are handled, manufactured, and inspected in a manner that is consistent with the relevant food safety requirements in chapters 28A, 31, and 34A and associated rules.

(b) The office may cooperate and enter into other agreements with the commissioner of agriculture and may cooperate and enter into agreements with the commissioners and directors of other state agencies and departments to promote the beneficial interests of the state.

Subd. 5. **Rulemaking.** The office may adopt rules to implement any provisions in this chapter. Rules for which notice is published in the State Register before July 1, 2025, may be adopted using the expedited rulemaking process in section 14.389.

Subd. 6. **Director.** (a) The governor shall appoint a director of the office with the advice and consent of the senate. The director must be in the unclassified service and must serve at the pleasure of the governor.

(b) The salary of the director must not exceed the salary limit established under section 15A.0815, subdivision 3.

Subd. 7. **Employees.** (a) The office may employ other personnel in the classified service necessary to carry out the duties in this chapter.

(b) Upon request by the office, a prospective employee of the office must submit a completed criminal history records check consent form, a full set of classifiable fingerprints, and the required fees to the office. Upon receipt of this information, the office must submit the completed criminal history records check consent form, full set of classifiable fingerprints, and required fees to the Bureau of Criminal Apprehension. After receiving this information, the bureau must conduct a Minnesota criminal history records check of the prospective employee. The bureau may exchange a prospective employee's fingerprints with the Federal Bureau of Investigation to obtain the prospective employee's national criminal history record information. The bureau must return the results of the Minnesota and federal criminal history records checks to the director to determine if the prospective employee is disqualified under rules adopted pursuant to section 342.15.

Subd. 8. **Division of Social Equity.** The office must establish a Division of Social Equity. At a minimum, the division must:

(1) engage with the community and administer grants to communities that experienced a disproportionate, negative impact from cannabis prohibition and usage in order to promote economic development, improve social determinants of health, provide services to prevent violence, support early intervention programs for youth and families, and promote community stability and safety;

(2) act as an ombudsperson for the office to provide information, investigate complaints under this chapter, and provide or facilitate dispute resolutions; and

(3) report to the office on the status of complaints and social equity in the cannabis industry.

EFFECTIVE DATE. This section is effective July 1, 2023, except for subdivision 3, which is effective March 1, 2025.

Sec. 3. **[342.03] CANNABIS ADVISORY COUNCIL.**

Subdivision 1. **Membership.** The Cannabis Advisory Council is created consisting of the following members:

(1) the director of the Office of Cannabis Management or a designee;

(2) the commissioner of employment and economic development or a designee;

(3) the commissioner of revenue or a designee;

(4) the commissioner of health or a designee;

(5) the commissioner of human services or a designee;

(6) the commissioner of public safety or a designee;

(7) the commissioner of human rights or a designee;

(8) the commissioner of labor or a designee;

(9) the commissioner of agriculture or a designee;

(10) the commissioner of the Pollution Control Agency or a designee;

(11) the superintendent of the Bureau of Criminal Apprehension or a designee;

(12) the colonel of the State Patrol or a designee;

(13) the director of the Office of Traffic Safety in the Department of Public Safety or a designee;

(14) a representative from the League of Minnesota Cities appointed by the league;

(15) a representative from the Association of Minnesota Counties appointed by the association;

(16) an expert in minority business development appointed by the governor;

(17) an expert in economic development strategies for under-resourced communities appointed by the governor;

- (18) an expert in farming or representing the interests of farmers appointed by the governor;
- (19) an expert representing the interests of cannabis workers appointed by the governor;
- (20) an expert representing the interests of employers appointed by the governor;
- (21) an expert in municipal law enforcement with advanced training in impairment detection and evaluation appointed by the governor;
- (22) an expert in social welfare or social justice appointed by the governor;
- (23) an expert in criminal justice reform to mitigate the disproportionate impact of drug prosecutions on communities of color appointed by the governor;
- (24) an expert in prevention, treatment, and recovery related to substance use disorders appointed by the governor;
- (25) an expert in minority business ownership appointed by the governor;
- (26) an expert in women-owned businesses appointed by the governor;
- (27) an expert in cannabis retailing appointed by the governor;
- (28) an expert in cannabis product manufacturing appointed by the governor;
- (29) an expert in laboratory sciences and toxicology appointed by the governor;
- (30) an expert in providing legal services to cannabis businesses appointed by the governor;
- (31) an expert in cannabis cultivation appointed by the governor;
- (32) an expert in pediatric medicine appointed by the governor;
- (33) an expert in adult medicine appointed by the governor;
- (34) three patient advocates, one who is a patient enrolled in the medical cannabis program; one who is a parent or caregiver of a patient in the medical cannabis program; and one patient with experience in the mental health system or substance use disorder treatment system appointed by the governor;
- (35) two licensed mental health professionals appointed by the governor;
- (36) a veteran appointed by the governor;
- (37) one member of each of the following federally recognized Tribes, designated by the elected Tribal president or chairperson of the governing bodies of:
 - (i) the Fond du Lac Band;
 - (ii) the Grand Portage Band;
 - (iii) the Mille Lacs Band;

- (iv) the White Earth Band;
- (v) the Bois Forte Band;
- (vi) the Leech Lake Band;
- (vii) the Red Lake Nation;
- (viii) the Upper Sioux Community;
- (ix) the Lower Sioux Indian Community;
- (x) the Shakopee Mdewakanton Sioux Community; and
- (xi) the Prairie Island Indian Community; and

(38) a representative from the Local Public Health Association of Minnesota appointed by the association.

Subd. 2. **Terms; compensation; removal; vacancy; expiration.** The membership terms, compensation, removal of members appointed by the governor, and filling of vacancies of members are provided in section 15.059. Notwithstanding section 15.059, subdivision 6, the advisory council shall not expire.

Subd. 3. **Officers; meetings.** (a) The director of the Office of Cannabis Management or the director's designee must chair the Cannabis Advisory Council. The advisory council must elect a vice-chair and may elect other officers as necessary.

(b) The advisory council shall meet quarterly or upon the call of the chair.

(c) Meetings of the advisory council are subject to chapter 13D.

Subd. 4. **Duties.** (a) The duties of the advisory council shall include:

(1) reviewing national cannabis policy;

(2) examining the effectiveness of state cannabis policy;

(3) reviewing developments in the cannabis industry and hemp consumer industry;

(4) reviewing developments in the study of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products;

(5) taking public testimony; and

(6) making recommendations to the Office of Cannabis Management.

(b) At its discretion, the advisory council may examine other related issues consistent with this section.

Sec. 4. [342.04] STUDIES; REPORTS.

(a) The office shall conduct a study to determine the expected size and growth of the regulated cannabis industry and hemp consumer industry, including an estimate of the demand for cannabis flower and cannabis products, the number and geographic distribution of cannabis businesses needed to meet that demand, and the anticipated business from residents of other states.

(b) The office shall conduct a study to determine the size of the illicit cannabis market, the sources of illicit cannabis flower and illicit cannabis products in the state, the locations of citations issued and arrests made for cannabis offenses, and the subareas, such as census tracts or neighborhoods, that experience a disproportionately large amount of cannabis enforcement.

(c) The office shall conduct a study on impaired driving to determine:

(1) the number of accidents involving one or more drivers who admitted to using cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products, or who tested positive for cannabis or tetrahydrocannabinol;

(2) the number of arrests of individuals for impaired driving in which the individual tested positive for cannabis or tetrahydrocannabinol; and

(3) the number of convictions for driving under the influence of cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or tetrahydrocannabinol.

(d) The office shall provide preliminary reports on the studies conducted pursuant to paragraphs (a) to (c) to the legislature by January 15, 2024, and shall provide final reports to the legislature by January 15, 2025. The reports may be consolidated into a single report by the office.

(e) The office shall collect existing data from the Department of Human Services, Department of Health, Minnesota state courts, and hospitals licensed under chapter 144 on the utilization of mental health and substance use disorder services, emergency room visits, and commitments to identify any increase in the services provided or any increase in the number of visits or commitments. The office shall also obtain summary data from existing first episode psychosis programs on the number of persons served by the programs and number of persons on the waiting list. All information collected by the office under this paragraph shall be included in the report required under paragraph (f).

(f) The office shall conduct an annual market analysis on the status of the regulated cannabis industry and submit a report of the findings. The office shall submit the report by January 15, 2025, and each January 15 thereafter and the report may be combined with the annual report submitted by the office. The process of completing the market analysis must include holding public meetings to solicit the input of consumers, market stakeholders, and potential new applicants and must include an assessment as to whether the office has issued the necessary number of licenses in order to:

(1) ensure the sufficient supply of cannabis flower and cannabis products to meet demand;

(2) provide market stability;

(3) ensure a competitive market; and

(4) limit the sale of unregulated cannabis flower and cannabis products.

(g) The office shall submit an annual report to the legislature by January 15, 2024, and each January 15 thereafter. The annual report shall include but not be limited to the following:

(1) the status of the regulated cannabis industry;

(2) the status of the illicit cannabis market and hemp consumer industry;

(3) the number of accidents, arrests, and convictions involving drivers who admitted to using cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products or who tested positive for cannabis or tetrahydrocannabinol;

(4) the change in potency, if any, of cannabis flower and cannabis products available through the regulated market;

(5) progress on providing opportunities to individuals and communities that experienced a disproportionate, negative impact from cannabis prohibition, including but not limited to providing relief from criminal convictions and increasing economic opportunities;

(6) the status of racial and geographic diversity in the cannabis industry;

(7) proposed legislative changes, including but not limited to recommendations to streamline licensing systems and related administrative processes;

(8) information on the adverse effects of second-hand smoke from any cannabis flower, cannabis products, and hemp-derived consumer products that are consumed by the combustion or vaporization of the product and the inhalation of smoke, aerosol, or vapor from the product; and

(9) recommendations for the levels of funding for:

(i) a coordinated education program to address and raise public awareness about the top three adverse health effects, as determined by the commissioner of health, associated with the use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by individuals under 21 years of age;

(ii) a coordinated education program to educate pregnant individuals, breastfeeding individuals, and individuals who may become pregnant on the adverse health effects of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(iii) training, technical assistance, and educational materials for home visiting programs, Tribal home visiting programs, and child welfare workers regarding safe and unsafe use of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products in homes with infants and young children;

(iv) model programs to educate middle school and high school students on the health effects on children and adolescents of the use of cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other intoxicating or controlled substances;

(v) grants issued through the CanTrain, CanNavigate, CanStartup, and CanGrow programs;

(vi) grants to organizations for community development in social equity communities through the CanRenew program;

(vii) training of peace officers and law enforcement agencies on changes to laws involving cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products and the law's impact on searches and seizures;

(viii) training of peace officers to increase the number of drug recognition experts;

(ix) training of peace officers on the cultural uses of sage and distinguishing use of sage from the use of cannabis flower, including whether the Board of Peace Officer Standards and Training should approve or develop training materials;

(x) the retirement and replacement of drug detection canines; and

(xi) the Department of Human Services and county social service agencies to address any increase in demand for services.

(g) In developing the recommended funding levels under paragraph (f), clause (9), items (vii) to (xi), the office shall consult with local law enforcement agencies, the Minnesota Chiefs of Police Association, the Minnesota Sheriff's Association, the League of Minnesota Cities, the Association of Minnesota Counties, and county social services agencies.

Sec. 5. [342.05] STATEWIDE MONITORING SYSTEM.

Subdivision 1. **Statewide monitoring.** The office must contract with an outside vendor to establish a statewide monitoring system for integrated cannabis tracking, inventory, and verification to track all cannabis plants, cannabis flower, and cannabis products from seed, immature plant, or creation until disposal or sale to a patient or customer.

Subd. 2. **Data submission requirements.** The monitoring system must allow cannabis businesses to submit monitoring data to the office through the use of monitoring system software commonly used within the cannabis industry and may also permit cannabis businesses to submit monitoring data through manual data entry with approval from the office.

Sec. 6. [342.06] APPROVAL OF CANNABIS FLOWER, PRODUCTS, AND CANNABINOIDS.

(a) For the purposes of this section, "product category" means a type of product that may be sold in different sizes, distinct packaging, or at various prices but is still created using the same manufacturing or agricultural processes. A new or additional stock keeping unit (SKU) or Universal Product Code (UPC) shall not prevent a product from being considered the same type as another unit. All other terms have the meanings provided in section 342.01.

(b) The office shall approve product categories of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for retail sale.

(c) The office may establish limits on the total THC of cannabis flower, cannabis products, and hemp-derived consumer products. As used in this paragraph, "total THC" means the sum of the

percentage by weight of tetrahydrocannabinolic acid multiplied by 0.877 plus the percentage by weight of all tetrahydrocannabinols.

(d) The office shall not approve any cannabis product, lower-potency hemp edible, or hemp-derived consumer product that:

(1) is or appears to be a lollipop or ice cream;

(2) bears the likeness or contains characteristics of a real or fictional person, animal, or fruit;

(3) is modeled after a type or brand of products primarily consumed by or marketed to children;

(4) is substantively similar to a meat food product; poultry food product as defined in section 31A.02, subdivision 10; or a dairy product as defined in section 32D.01, subdivision 7;

(5) contains a synthetic cannabinoid;

(6) is made by applying a cannabinoid, including but not limited to an artificially derived cannabinoid, to a finished food product that does not contain cannabinoids and is sold to consumers, including but not limited to a candy or snack food; or

(7) if the product is an edible cannabis product or lower-potency hemp edible, contains an ingredient, other than a cannabinoid, that is not approved by the United States Food and Drug Administration for use in food.

Sec. 7. [342.07] AGRICULTURAL AND FOOD SAFETY PRACTICES; RULEMAKING.

Subdivision 1. **Plant propagation standards.** In consultation with the commissioner of agriculture, the office by rule must establish certification, testing, and labeling requirements for the methods used to grow new cannabis plants or hemp plants, including but not limited to growth from seed, clone, cutting, or tissue culture.

Subd. 2. **Agricultural best practices.** In consultation with the commissioner of agriculture and representatives from the University of Minnesota Extension Service, the office shall establish best practices for:

(1) the cultivation and preparation of cannabis plants; and

(2) the use of pesticides, fertilizers, soil amendments, and plant amendments in relation to growing cannabis plants.

Subd. 3. **Edible cannabinoid product handler endorsement.** (a) Any person seeking to manufacture, process, sell, handle, or store an edible cannabis product or lower-potency hemp edible, other than an edible cannabis product or lower-potency hemp edible that has been placed in its final packaging, must first obtain an edible cannabinoid product handler endorsement.

(b) In consultation with the commissioner of agriculture, the office shall establish an edible cannabinoid product handler endorsement.

(c) The office must regulate edible cannabinoid product handlers and assess penalties in the same manner provided for food handlers under chapters 28A, 31, and 34A and associated rules, with the following exceptions:

(1) the office must issue an edible cannabinoid product handler endorsement, rather than a license;

(2) eligibility for an edible cannabinoid product handler endorsement is limited to persons who possess a valid license issued by the office;

(3) the office may not charge a fee for issuing or renewing the endorsement;

(4) the office must align the term and renewal period for edible cannabinoid product handler endorsements with the term and renewal period of the license issued by the office; and

(5) an edible cannabis product or lower-potency hemp edible must not be considered adulterated solely because the product or edible contains tetrahydrocannabinol, cannabis concentrate, hemp concentrate, artificially derived cannabinoids, or any other material extracted or derived from a cannabis plant, cannabis flower, hemp plant, or hemp plant parts.

(d) The edible cannabinoid product handler endorsement must prohibit the manufacture of edible cannabis products at the same premises where food is manufactured, except for the limited production of edible products produced solely for product development, sampling, or testing. This limitation does not apply to the manufacture of lower-potency hemp edibles.

Sec. 8. **[342.08] ESTABLISHMENT OF ENVIRONMENTAL STANDARDS.**

Subdivision 1. **Water standards.** In consultation with the commissioner of the Pollution Control Agency, the office by rule must establish appropriate water standards for cannabis businesses.

Subd. 2. **Energy use.** In consultation with the commissioner of commerce, the office by rule must establish appropriate energy standards for cannabis businesses.

Subd. 3. **Solid waste.** In consultation with the commissioner of the Pollution Control Agency, the office by rule must establish appropriate solid waste standards for the disposal of:

(1) cannabis flower and cannabis products;

(2) packaging;

(3) recyclable materials, including minimum requirements for the use of recyclable materials; and

(4) other solid waste.

Subd. 4. **Odor.** The office by rule must establish appropriate standards and requirements to limit odors produced by cannabis businesses.

Subd. 5. **Applicability; federal, state, and local laws.** A cannabis business must comply with all applicable federal, state, and local laws related to the subjects of subdivisions 1 to 4.

Subd. 6. **Rulemaking.** (a) The office may only adopt a rule under this section if the rule is consistent with and at least as stringent as applicable state and federal laws related to the subjects of subdivisions 1 to 4.

(b) The office must coordinate and consult with a department or agency of the state regarding the development and implementation of a rule under this section if the department or agency has expertise or a regulatory interest in the subject matter of the rule.

Sec. 9. **[342.09] PERSONAL ADULT USE OF CANNABIS.**

Subdivision 1. **Personal adult use, possession, and transportation of cannabis flower and cannabinoid products.** (a) An individual 21 years of age or older may:

- (1) use, possess, or transport cannabis paraphernalia;
- (2) possess or transport two ounces or less of adult-use cannabis flower in a public place;
- (3) possess two pounds or less of adult-use cannabis flower in the individual's private residence;
- (4) possess or transport eight grams or less of adult-use cannabis concentrate;
- (5) possess or transport edible cannabis products or lower-potency hemp edibles infused with a combined total of 800 milligrams or less of tetrahydrocannabinol;
- (6) give for no remuneration to an individual who is at least 21 years of age:
 - (i) two ounces or less of adult-use cannabis flower;
 - (ii) eight grams or less of adult-use cannabis concentrate; or
 - (iii) an edible cannabis product or lower-potency hemp edible infused with 800 milligrams or less of tetrahydrocannabinol; and
- (7) use adult-use cannabis flower and adult-use cannabis products in the following locations:
 - (i) a private residence, including the individual's curtilage or yard;
 - (ii) on private property, not generally accessible by the public, unless the individual is explicitly prohibited from consuming cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products on the property by the owner of the property; or
 - (iii) on the premises of an establishment or event licensed to permit on-site consumption.
- (b) Except as provided in paragraph (c), an individual may not:
 - (1) use, possess, or transport cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products if the individual is under 21 years of age;
 - (2) use cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a motor vehicle as defined in section 169A.03, subdivision 15;

(3) use cannabis flower, cannabis products, or hemp-derived consumer products in a manner that involves the inhalation of smoke, aerosol, or vapor at any location where smoking is prohibited under section 144.414;

(4) use or possess cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a public school, as defined in section 120A.05, subdivisions 9, 11, and 13, or in a charter school governed by chapter 124E, including all facilities, whether owned, rented, or leased, and all vehicles that a school district owns, leases, rents, contracts for, or controls;

(5) use or possess cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a state correctional facility;

(6) operate a motor vehicle while under the influence of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(7) give for no remuneration cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to an individual under 21 years of age;

(8) give for no remuneration cannabis flower or cannabis products as a sample or promotional gift if the giver is in the business of selling goods or services; or

(9) vaporize or smoke cannabis flower, cannabis products, artificially derived cannabinoids, or hemp-derived consumer products in any location where the smoke, aerosol, or vapor would be inhaled by a minor.

(c) The prohibitions under paragraph (b), clauses (1) to (4), do not apply to use other than by smoking or by a vaporized delivery method, possession, or transportation of medical cannabis flower or medical cannabinoid products by a patient; a registered designated caregiver; or a parent, legal guardian, or spouse of a patient.

(d) A proprietor of a family or group family day care program must disclose to parents or guardians of children cared for on the premises of the family or group family day care program, if the proprietor permits the smoking or use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products on the premises outside of its hours of operation. Disclosure must include posting on the premises a conspicuous written notice and orally informing parents or guardians. Cannabis flower or cannabis products must be inaccessible to children and stored away from food products.

Subd. 2. **Home cultivation of cannabis for personal adult use.** Up to eight cannabis plants, with no more than four being mature, flowering plants may be grown at a single residence, including the curtilage or yard, without a license to cultivate cannabis issued under this chapter provided that cultivation takes place at the primary residence of an individual 21 years of age or older and in an enclosed, locked space that is not open to public view.

Subd. 3. **Home extraction of cannabis concentrate by use of volatile solvent prohibited.** No person may use a volatile solvent to separate or extract cannabis concentrate or hemp concentrate without a cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, medical cannabis processor, or lower-potency hemp edible manufacturer license issued under this chapter.

Subd. 4. **Sale of cannabis flower and products prohibited.** No person may sell cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products without a license issued under this chapter that authorizes the sale.

Subd. 5. **Importation of hemp-derived products.** No person may import lower-potency hemp edibles or hemp-derived consumer products that are manufactured outside the boundaries of the state of Minnesota with the intent to sell the edibles or products to consumers within the state or to any other person or business that intends to sell the edibles or products to consumers within the state without a license issued under this chapter that authorizes the importation of such edibles or products. This subdivision does not apply to edibles or products lawfully purchased for personal use.

Subd. 6. **Violations; penalties.** (a) In addition to penalties listed in this subdivision, a person who violates the provisions of this chapter is subject to any applicable criminal penalty.

(b) The office may assess the following civil penalties on a person who sells cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products without a license issued under this chapter that authorizes the sale:

(1) if the person sells up to two ounces of cannabis flower, up to \$3,000 or three times the retail market value of the cannabis flower, whichever is greater;

(2) if the person sells more than two ounces but not more than eight ounces of cannabis flower, up to \$10,000 or three times the retail market value of the cannabis flower, whichever is greater;

(3) if the person sells more than eight ounces but not more than one pound of cannabis flower, up to \$25,000 or three times the retail market value of the cannabis flower, whichever is greater;

(4) if the person sells more than one pound but not more than five pounds of cannabis flower, up to \$50,000 or three times the retail market value of the cannabis flower, whichever is greater;

(5) if the person sells more than five pounds but not more than 25 pounds of cannabis flower, up to \$100,000 or three times the retail market value of the cannabis flower, whichever is greater;

(6) if the person sells more than 25 pounds but not more than 50 pounds of cannabis flower, up to \$250,000 or three times the retail market value of the cannabis flower, whichever is greater; and

(7) if the person sells more than 50 pounds of cannabis flower, up to \$1,000,000 or three times the retail market value of the cannabis flower, whichever is greater.

(c) The office may assess the following civil penalties on a person who sells cannabis concentrate without a license issued under this chapter that authorizes the sale:

(1) if the person sells up to eight grams of cannabis concentrate, up to \$3,000 or three times the retail market value of the cannabis concentrate, whichever is greater;

(2) if the person sells more than eight grams but not more than 40 grams of cannabis concentrate, up to \$10,000 or three times the retail market value of the cannabis concentrate, whichever is greater;

(3) if the person sells more than 40 grams but not more than 80 grams of cannabis concentrate, up to \$25,000 or three times the retail market value of the cannabis concentrate, whichever is greater;

(4) if the person sells more than 80 grams but not more than 400 grams of cannabis concentrate, up to \$50,000 or three times the retail market value of the cannabis concentrate, whichever is greater;

(5) if the person sells more than 400 grams but not more than two kilograms of cannabis concentrate, up to \$100,000 or three times the retail market value of the cannabis concentrate, whichever is greater;

(6) if the person sells more than two kilograms but not more than four kilograms of cannabis concentrate, up to \$250,000 or three times the retail market value of the cannabis concentrate, whichever is greater; and

(7) if the person sells more than four kilograms of cannabis concentrate, up to \$1,000,000 or three times the retail market value of the cannabis concentrate, whichever is greater.

(d) The office may assess the following civil penalties on a person who imports or sells products infused with tetrahydrocannabinol without a license issued under this chapter that authorizes the importation or sale:

(1) if the person imports or sells products infused with up to 800 milligrams of tetrahydrocannabinol, up to \$3,000 or three times the retail market value of the infused product, whichever is greater;

(2) if the person imports or sells products infused with a total of more than 800 milligrams but not more than four grams of tetrahydrocannabinol, up to \$10,000 or three times the retail market value of the infused product, whichever is greater;

(3) if the person imports or sells products infused with a total of more than four grams but not more than eight grams of tetrahydrocannabinol, up to \$25,000 or three times the retail market value of the infused product, whichever is greater;

(4) if the person imports or sells products infused with a total of more than eight grams but not more than 40 grams of tetrahydrocannabinol, up to \$50,000 or three times the retail market value of the infused product, whichever is greater;

(5) if the person imports or sells products infused with a total of more than 40 grams but not more than 200 grams of tetrahydrocannabinol, up to \$100,000 or three times the retail market value of the infused product, whichever is greater;

(6) if the person imports or sells products infused with a total of more than 200 grams but not more than 400 grams of tetrahydrocannabinol, up to \$250,000 or three times the retail market value of the infused product, whichever is greater; and

(7) if the person imports or sells products infused with a total of more than 400 grams of tetrahydrocannabinol, up to \$1,000,000 or three times the retail market value of the infused product, whichever is greater.

(e) The office may assess a civil penalty of up to \$500 for each plant grown in excess of the limit on a person who grows more than eight cannabis plants or more than four mature, flowering plants, without a license to cultivate cannabis issued under this chapter.

Sec. 10. [342.10] LICENSES; TYPES.

The office shall issue the following types of license:

- (1) cannabis microbusiness;
- (2) cannabis mezzobusiness;
- (3) cannabis cultivator;
- (4) cannabis manufacturer;
- (5) cannabis retailer;
- (6) cannabis wholesaler;
- (7) cannabis transporter;
- (8) cannabis testing facility;
- (9) cannabis event organizer;
- (10) cannabis delivery service;
- (11) lower-potency hemp edible manufacturer;
- (12) lower-potency hemp edible retailer;
- (13) medical cannabis cultivator;
- (14) medical cannabis processor;
- (15) medical cannabis retailer; or
- (16) medical cannabis combination business.

Sec. 11. [342.11] LICENSES; FEES.

(a) The office shall require the payment of application fees, initial licensing fees, and renewal licensing fees as provided in this section. The initial license fee shall include the fee for initial issuance of the license and the first annual renewal. The renewal fee shall be charged at the time of the second renewal and each subsequent annual renewal thereafter. Nothing in this section prohibits a local unit of government from charging the retailer registration fee established in section 342.22. Application fees, initial licensing fees, and renewal licensing fees are nonrefundable.

(b) Application and licensing fees shall be as follows:

- (1) for a cannabis microbusiness:
 - (i) an application fee of \$500;
 - (ii) an initial license fee of \$0; and

(iii) a renewal license fee of \$2,000;

(2) for a cannabis mezzobusiness:

(i) an application fee of \$5,000;

(ii) an initial license fee of \$5,000; and

(iii) a renewal license fee of \$10,000;

(3) for a cannabis cultivator:

(i) an application fee of \$10,000;

(ii) an initial license fee of \$20,000; and

(iii) a renewal license fee of \$30,000;

(4) for a cannabis manufacturer:

(i) an application fee of \$10,000;

(ii) an initial license fee of \$10,000; and

(iii) a renewal license fee of \$20,000;

(5) for a cannabis retailer:

(i) an application fee of \$2,500;

(ii) an initial license fee of \$2,500; and

(iii) a renewal license fee of \$5,000;

(6) for a cannabis wholesaler:

(i) an application fee of \$5,000;

(ii) an initial license fee of \$5,000; and

(iii) a renewal license fee of \$10,000;

(7) for a cannabis transporter:

(i) an application fee of \$250;

(ii) an initial license fee of \$500; and

(iii) a renewal license fee of \$1,000;

(8) for a cannabis testing facility:

- (i) an application fee of \$5,000;
- (ii) an initial license fee of \$5,000; and
- (iii) a renewal license fee of \$10,000;
- (9) for a cannabis delivery service:
 - (i) an application fee of \$250;
 - (ii) an initial license fee of \$500; and
 - (iii) a renewal license fee of \$1,000;
- (10) for a cannabis event organizer:
 - (i) an application fee of \$750; and
 - (ii) an initial license fee of \$750;
- (11) for a lower-potency hemp edible manufacturer:
 - (i) an application fee of \$250;
 - (ii) an initial license fee of \$1,000; and
 - (iii) a renewal license fee of \$1,000;
- (12) for a lower-potency hemp edible retailer:
 - (i) an application fee of \$250 per retail location;
 - (ii) an initial license fee of \$250 per retail location; and
 - (iii) a renewal license fee of \$250 per retail location;
- (13) for a medical cannabis cultivator:
 - (i) an application fee of \$250;
 - (ii) an initial license fee of \$0; and
 - (iii) a renewal license fee of \$0;
- (14) for a medical cannabis processor:
 - (i) an application fee of \$250;
 - (ii) an initial license fee of \$0; and
 - (iii) a renewal license fee of \$0;

(15) for a medical cannabis retailer:

(i) an application fee of \$250;

(ii) an initial license fee of \$0; and

(iii) a renewal license fee of \$0; and

(16) for a medical cannabis combination business:

(i) an application fee of \$10,000;

(ii) an initial license fee of \$20,000; and

(iii) a renewal license fee of \$70,000.

Sec. 12. [342.12] LICENSES; TRANSFERS; ADJUSTMENTS.

(a) Licenses issued under this chapter may be freely transferred subject to the prior written approval of the office, which approval may be given or withheld in the office's sole discretion, provided that a social equity applicant may only transfer the applicant's license to another social equity applicant. A new license must be obtained when:

(1) the form of the licensee's legal business structure converts or changes to a different type of legal business structure; or

(2) the licensee dissolves; consolidates; reorganizes; undergoes bankruptcy, insolvency, or receivership proceedings; merges with another legal organization; or assigns all or substantially all of its assets for the benefit of creditors.

(b) Transfers between social equity applicants must be reviewed by the Division of Social Equity.

(c) Licenses must be renewed annually.

(d) License holders may petition the office to adjust the tier of a license issued within a license category provided that the license holder meets all applicable requirements.

(e) The office by rule may permit relocation of a licensed cannabis business, adopt requirements for the submission of a license relocation application, establish standards for the approval of a relocation application, and charge a fee not to exceed \$250 for reviewing and processing applications. Relocation of a licensed premises pursuant to this paragraph does not extend or otherwise modify the license term of the license subject to relocation.

Sec. 13. [342.13] LOCAL CONTROL.

(a) A local unit of government may not prohibit the possession, transportation, or use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products authorized under this chapter.

(b) Except as provided in section 342.22, a local unit of government may not prohibit the establishment or operation of a cannabis business licensed under this chapter.

(c) A local unit of government may adopt reasonable restrictions on the time, place, and manner of the operation of a cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses. A local unit of government may prohibit the operation of a cannabis business within 1,000 feet of a school, or 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including a playground or athletic field.

(d) The office shall work with local units of government to:

(1) develop model ordinances for reasonable restrictions on the time, place, and manner of the operation of a cannabis business;

(2) develop standardized forms and procedures for the issuance of a retail registration pursuant to section 342.22; and

(3) develop model policies and procedures for the performance of compliance checks required under section 342.22.

(e) If a local unit of government is conducting studies or has authorized a study to be conducted or has held or has scheduled a hearing for the purpose of considering adoption or amendment of reasonable restrictions on the time, place, and manner of the operation of a cannabis business, the governing body of the local unit of government may adopt an interim ordinance applicable to all or part of its jurisdiction for the purpose of protecting the planning process and the health, safety, and welfare of its citizens. Before adopting the interim ordinance, the governing body must hold a public hearing. The interim ordinance may regulate, restrict, or prohibit the operation of a cannabis business within the jurisdiction or a portion thereof until January 1, 2025.

(f) Within 30 days of receiving a copy of an application from the office, a local unit of government shall certify on a form provided by the office whether a proposed cannabis business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code. The office may not issue a license if a cannabis business does not meet local zoning and land use laws.

(g) Upon receipt of an application for a license issued under this chapter, the office shall contact the local unit of government in which the business would be located and provide the local unit of government with 30 days in which to provide input on the application. The local unit of government may provide the office with any additional information it believes is relevant to the office's decision on whether to issue a license, including but not limited to identifying concerns about the proposed location of a cannabis business, or sharing public information about an applicant.

(h) The office by rule shall establish an expedited complaint process to receive, review, and respond to complaints made by a local unit of government about a cannabis business. Complaints may include alleged violations of local ordinances or other alleged violations. At a minimum, the expedited complaint process shall require the office to provide an initial response to the complaint within seven days and perform any necessary inspections within 30 days. Nothing in this paragraph prohibits a local unit of government from enforcing a local ordinance. If a local unit of government

notifies the office that a cannabis business other than a cannabis retailer, cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness, lower-potency hemp edible retailer, medical cannabis retailer, or medical cannabis combination business poses an immediate threat to the health or safety of the public, the office must respond within one business day and may take any action described in section 342.19 or 342.21.

(i) A local government unit that issues cannabis retailer registration under section 342.22 may, by ordinance, limit the number of licensed cannabis retailers, cannabis mezzobusinesses with a retail operations endorsement, and cannabis microbusinesses with a retail operations endorsement to no fewer than one registration for every 12,500 residents.

(j) If a county has one active registration for every 12,500 residents, a city or town within the county is not obligated to register a cannabis business.

(k) Nothing in this section shall prohibit a local government unit from allowing licensed cannabis retailers in excess of the minimums set in paragraph (i).

(l) Notwithstanding the foregoing provisions, the state shall not issue a license to any cannabis business to operate in Indian country, as defined in United States Code, title 18, section 1151, of a Minnesota Tribal government without the consent of the Tribal government.

Sec. 14. **[342.14] CANNABIS LICENSE APPLICATION AND RENEWAL.**

Subdivision 1. **Application; contents.** (a) The office by rule shall establish forms and procedures for the processing of cannabis licenses issued under this chapter. At a minimum, any application to obtain or renew a cannabis license shall include the following information, if applicable:

- (1) the name, address, and date of birth of the applicant;
- (2) the disclosure of ownership and control required under paragraph (b);
- (3) the disclosure of whether the applicant or, if the applicant is a business, any officer, director, manager, and general partner of the business has ever filed for bankruptcy;
- (4) the address and legal property description of the business;
- (5) a general description of the location or locations that the applicant plans to operate, including the planned square feet of planned space for cultivation, wholesaling, and retailing, as applicable;
- (6) a copy of the security plan;
- (7) proof of trade name registration;
- (8) a copy of the applicant's business plan showing the expected size of the business; anticipated growth; the methods of record keeping; the knowledge and experience of the applicant and any officer, director, manager, and general partner of the business; the environmental plan; and other relevant financial and operational components;
- (9) an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement;

(10) certification that the applicant will comply with the requirements of this chapter relating to the ownership and operation of a cannabis business;

(11) identification of one or more controlling persons or managerial employees as agents who shall be responsible for dealing with the office on all matters; and

(12) a statement that the applicant agrees to respond to the office's supplemental requests for information.

(b) An applicant must file and update as necessary a disclosure of ownership and control. The office by rule shall establish the contents and form of the disclosure. Except as provided in paragraph (f), the disclosure shall, at a minimum, include the following:

(1) the management structure, ownership, and control of the applicant or license holder, including the name of each cooperative member, officer, director, manager, general partner or business entity; the office or position held by each person; each person's percentage ownership interest, if any; and, if the business has a parent company, the name of each owner, board member, and officer of the parent company and the owner's, board member's, or officer's percentage ownership interest in the parent company and the cannabis business;

(2) a statement from the applicant and, if the applicant is a business, from every officer, director, manager, and general partner of the business, indicating whether that person has previously held, or currently holds, an ownership interest in a cannabis business in Minnesota, any other state or territory of the United States, or any other country;

(3) if the applicant is a corporation, copies of the applicant's articles of incorporation and bylaws and any amendments to the applicant's articles of incorporation or bylaws;

(4) copies of any partnership agreement, operating agreement, or shareholder agreement;

(5) copies of any promissory notes, security instruments, or other similar agreements;

(6) an explanation detailing the funding sources used to finance the business;

(7) a list of operating and investment accounts for the business, including any applicable financial institution and account number; and

(8) a list of each outstanding loan and financial obligation obtained for use in the business, including the loan amount, loan terms, and name and address of the creditor.

(c) An application may include:

(1) proof that the applicant is a social equity applicant;

(2) a description of the training and education that will be provided to any employee; or

(3) a copy of business policies governing operations to ensure compliance with this chapter.

(d) Commitments made by an applicant in its application, including but not limited to the maintenance of a labor peace agreement, shall be an ongoing material condition of maintaining and renewing the license.

(e) An application on behalf of a corporation or association shall be signed by at least two officers or managing agents of that entity.

(f) The office may, by rule, establish exceptions to the disclosures required under paragraph (b) for members of a cooperative who hold less than a five percent ownership interest in the cooperative.

Subd. 2. **Application; process.** (a) An applicant must submit all required information to the office on the forms and in the manner prescribed by the office.

(b) If the office receives an application that fails to provide the required information, the office shall issue a deficiency notice to the applicant. The applicant shall have ten business days from the date of the deficiency notice to submit the required information.

(c) Failure by an applicant to submit all required information will result in the application being rejected.

(d) Upon receipt of a completed application and fee, the office shall forward a copy of the application to the local unit of government in which the business operates or intends to operate with a form for certification as to whether a proposed cannabis business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code.

(e) Within 90 days of receiving a completed application and the results of any required criminal history check, the office shall issue the appropriate license or send the applicant a notice of rejection setting forth specific reasons that the office did not approve the application.

Sec. 15. **[342.15] ADULT-USE CANNABIS BUSINESS; CRIMINAL HISTORY CHECK AND DISQUALIFICATIONS.**

Subdivision 1. **Criminal history check.** (a) Upon request by the office, every license applicant or, in the case of a business entity, every cooperative member or director, manager, and general partner of the business entity, for a cannabis business license, or in the case of a business entity, every cooperative member or director, manager, and general partner of the business entity, and prospective cannabis worker must submit a completed criminal history records check consent form, a full set of classifiable fingerprints, and the required fees to the office. Upon receipt of this information, the office must submit the completed criminal history records check consent form, full set of classifiable fingerprints, and required fees to the Bureau of Criminal Apprehension. After receiving this information, the bureau must conduct a Minnesota criminal history records check of the license applicant or prospective cannabis worker. The bureau may exchange a license applicant's or prospective cannabis worker's fingerprints with the Federal Bureau of Investigation to obtain the license applicant's or prospective cannabis worker's national criminal history record information. The bureau must return the results of the Minnesota and federal criminal history records checks to the office to determine if the license applicant or prospective cannabis worker is disqualified under rules adopted pursuant to this section.

(b) The office may, by rule, establish exceptions to the requirement under paragraph (a) for members of a cooperative who hold less than a five percent ownership interest in the cooperative.

Subd. 2. **Criminal offenses; disqualifications.** The office may by rule determine whether any felony convictions shall disqualify a person from holding or receiving a cannabis business license issued under this chapter or working for a cannabis business, and the length of any such disqualification. In adopting rules pursuant to this subdivision, the office shall not disqualify a person for a violation of section 152.025.

Subd. 3. **Risk of harm; set aside.** The office may set aside a disqualification under subdivision 2 if the office finds that the person has submitted sufficient information to demonstrate that the person does not pose a risk of harm to any person served by the applicant, license holder, or other entities as provided in this chapter.

Subd. 4. **Exception.** The background check requirements and disqualifications under this section do not apply to an applicant for a hemp business license or to hemp workers.

Sec. 16. **[342.16] CANNABIS BUSINESSES; GENERAL OWNERSHIP DISQUALIFICATIONS AND REQUIREMENTS.**

(a) A license holder or applicant must meet each of the following requirements, if applicable, to hold or receive a cannabis license issued under this chapter:

- (1) be at least 21 years of age;
- (2) have completed an application for licensure or application for renewal;
- (3) have paid the applicable application fee and license fee;
- (4) if the applicant or license holder is a business entity, be incorporated in the state or otherwise formed or organized under the laws of the state;
- (5) not be employed by the office or any state agency with regulatory authority under this chapter or the rules adopted pursuant to this chapter;
- (6) not be a licensed peace officer, as defined in section 626.84, subdivision 1, paragraph (c);
- (7) never have had a license previously issued under this chapter revoked;
- (8) have filed any previously required tax returns for a cannabis business;
- (9) have paid and remitted any business taxes, gross receipts taxes, interest, or penalties due relating to the operation of a cannabis business;
- (10) have fully and truthfully complied with all information requests of the office relating to license application and renewal;
- (11) not be disqualified under section 342.15;

(12) not employ an individual who is disqualified from working for a cannabis business under this chapter; and

(13) meet the ownership and operational requirements for the type of license and, if applicable, endorsement sought or held.

(b) A health care practitioner who certifies qualifying medical conditions for patients is prohibited from:

(1) holding a direct or indirect economic interest in a cannabis business;

(2) serving as a cooperative member, director, manager, general partner, or employee of a cannabis business; or

(3) advertising with a cannabis business in any way.

(c) If the license holder or applicant is a business entity, every officer, director, manager, and general partner of the business entity must meet each of the requirements of this section.

(d) The ownership disqualifications and requirements under this section do not apply to a hemp business license holder or applicant.

Sec. 17. **[342.17] SOCIAL EQUITY APPLICANTS.**

(a) An applicant qualifies as a social equity applicant if the applicant:

(1) was convicted of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023;

(2) had a parent, guardian, child, spouse, or dependent who was convicted of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023;

(3) was a dependent of an individual who was convicted of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023;

(4) is a service-disabled veteran, current or former member of the national guard, or any military veteran or current or former member of the national guard who lost honorable status due to an offense involving the possession or sale of marijuana;

(5) has been a resident for the last five years of one or more subareas, such as census tracts or neighborhoods, that experienced a disproportionately large amount of cannabis enforcement as determined by the study conducted by the office pursuant to section 342.04, paragraph (b), and reported in the preliminary report, final report, or both;

(6) is an emerging farmer as defined in section 17.055, subdivision 1; or

(7) has been a resident for the last five years of one or more census tracts where, as reported in the most recently completed decennial census published by the United States Bureau of the Census, either:

(i) the poverty rate was 20 percent or more; or

(ii) the median family income did not exceed 80 percent of statewide median family income or, if in a metropolitan area, did not exceed the greater of 80 percent of the statewide median family income or 80 percent of the median family income for that metropolitan area.

(b) The qualifications described in paragraph (a) apply to each individual applicant or, in the case of a business entity, every cooperative member or director, manager, and general partner of the business entity.

Sec. 18. **[342.18] LICENSE SELECTION CRITERIA.**

Subdivision 1. **Market stability.** The office shall issue the necessary number of licenses in order to ensure the sufficient supply of cannabis flower and cannabis products to meet demand, provide market stability, ensure a competitive market, and limit the sale of unregulated cannabis flower and cannabis products.

Subd. 2. **Vertical integration prohibited; exceptions.** (a) Except as otherwise provided in this subdivision, the office shall not issue licenses to a single applicant that would result in the applicant being vertically integrated in violation of the provisions of this chapter.

(b) Nothing in this section prohibits or limits the issuance of microbusiness licenses or mezzobusiness licenses, or the issuance of both lower-potency hemp edible manufacturer and lower-potency hemp edible retailer licenses to the same person or entity.

Subd. 3. **Application score; license priority.** (a) The office shall award points to each completed application for a license to operate a cannabis business in the following categories:

(1) status as a social equity applicant or as an applicant who is substantially similar to a social equity applicant as described in paragraph (c);

(2) status as a veteran or retired national guard applicant who does not meet the definition of social equity applicant;

(3) security and record keeping;

(4) employee training plan;

(5) business plan and financial situation;

(6) labor and employment practices;

(7) knowledge and experience; and

(8) environmental plan.

(b) The office may award additional points to an application if the license holder would expand service to an underrepresented market, including but not limited to participation in the medical cannabis program.

(c) The office shall establish application materials permitting individual applicants to demonstrate the impact that cannabis prohibition has had on that applicant, including but not limited to the arrest or imprisonment of the applicant or a member of the applicant's immediate family, and the office may award points to such applicants in the same manner as points are awarded to social equity applicants.

(d) The office shall establish policies and guidelines, which must be made available to the public, regarding the number of points available in each category and the basis for awarding those points. Status as a social equity applicant must account for at least 20 percent of the total available points. In determining the number of points to award to a cooperative or business applying as a social equity applicant, the office shall consider the number or ownership percentage of cooperative members, officers, directors, managers, and general partners who qualify as social equity applicants.

(e) Consistent with the goals identified in subdivision 1, the office shall issue licenses in each license category, giving priority to applicants who receive the highest score under paragraphs (a) and (b). If there are insufficient licenses available for entities that receive identical scores, the office shall utilize a lottery to randomly select license recipients from among those entities.

Sec. 19. [342.19] INSPECTION; LICENSE VIOLATIONS; PENALTIES.

Subdivision 1. **Authority to inspect.** (a) In order to carry out the purposes of this chapter, the office, upon presenting appropriate credentials to the owner, operator, or agent in charge, is authorized to:

(1) enter any cannabis business or hemp business without delay and at reasonable times;

(2) inspect and investigate during regular working hours and at other reasonable times, within reasonable limits and in a reasonable manner, any cannabis business or hemp business and all relevant conditions, equipment, records, and materials therein; and

(3) question privately any employer, owner, operator, agent, or employee of a cannabis business or hemp business.

(b) An employer, owner, operator, agent, or employee must not refuse the office entry or otherwise deter or prohibit the office from taking action under paragraph (a).

Subd. 2. **Powers of office.** (a) In making inspections and investigations under this chapter, the office shall have the power to administer oaths, certify as to official acts, take and cause to be taken depositions of witnesses, issue subpoenas, and compel the attendance of witnesses and production of papers, books, documents, records, and testimony. In case of failure of any person to comply with any subpoena lawfully issued, or on the refusal of any witness to produce evidence or to testify to any matter regarding which the person may be lawfully interrogated, the district court shall, upon application of the office, compel obedience proceedings for contempt, as in the case of disobedience of the requirements of a subpoena issued by the court or a refusal to testify therein.

(b) If the office finds probable cause to believe that any cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product is being distributed in violation of this chapter or rules adopted under this chapter, the office shall affix to the item a tag, withdrawal from distribution order, or other appropriate marking

providing notice that the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product is, or is suspected of being, distributed in violation of this chapter, and has been detained or embargoed, and warning all persons not to remove or dispose of the item by sale or otherwise until permission for removal or disposal is given by the office or the court. It is unlawful for a person to remove or dispose of detained or embargoed cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product by sale or otherwise without the office's or a court's permission and each transaction is a separate violation of this section.

(c) If any cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product has been found by the office to be in violation of this chapter, the office shall petition the district court in the county in which the item is detained or embargoed for an order and decree for the condemnation of the item. The office shall release the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product when this chapter and rules adopted under this chapter have been complied with or the item is found not to be in violation of this chapter or rules adopted under this chapter.

(d) If the court finds that the detained or embargoed cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product is in violation of this chapter or rules adopted under this chapter, the following remedies are available:

(1) after entering a decree, the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product may be destroyed at the expense of the claimant under the supervision of the office, and all court costs, fees, storage, and other proper expenses must be assessed against the claimant of the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product or the claimant's agent; and

(2) if the violation can be corrected by proper labeling or processing of the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product, the court, after entry of the decree and after costs, fees, and expenses have been paid, and a good and sufficient bond conditioned that the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product must be properly labeled or processed has been executed, may by order direct that the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product be delivered to the claimant for proper labeling or processing under the supervision of the office. The office's supervision expenses must be paid by the claimant. The cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product must be returned to the claimant and the bond must be discharged on representation to the court by the office that the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product is no longer in violation and that the office's supervision expenses have been paid.

(e) If the office finds in any room, building, piece of equipment, vehicle of transportation, or other structure any cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid,

lower-potency hemp edible, or hemp-derived consumer product that is unsound or contains any filthy, decomposed, or putrid substance, or that may be poisonous or deleterious to health or otherwise unsafe, the office shall condemn or destroy the item or in any other manner render the item as unsalable, and no one has any cause of action against the office on account of the office's action.

(f) The office may enter into an agreement with the commissioner of agriculture to analyze and examine samples or other articles furnished by the office for the purpose of determining whether the sample or article violates this chapter or rules adopted under this chapter. A copy of the examination or analysis report for any such article, duly authenticated under oath by the laboratory analyst making the determination or examination, shall be prima facie evidence in all courts of the matters and facts contained in the report.

Subd. 3. **Aiding of inspection.** Subject to rules issued by the office, a representative of a cannabis business or hemp business shall be given an opportunity to accompany the office during the physical inspection of any cannabis business or hemp business for the purpose of aiding such inspection.

Subd. 4. **Complaints and reports; priority of inspection.** (a) The office may conduct inspections of any licensed cannabis business or hemp business at any time to ensure compliance with the ownership and operation requirements of this chapter.

(b) Any person may report a suspected violation of a safety or health standard. If upon receipt of such notification the office determines that there are reasonable grounds to believe that such violation or danger exists, the office shall make a special inspection as soon as practicable to determine if such danger or violation exists.

(c) The office shall prioritize inspections of cannabis businesses and hemp businesses where there are reasonable grounds to believe that a violation poses imminent danger to the public or customers. Inspections must take place within one business day of the receipt of a credible report.

(d) The office shall promptly inspect cannabis businesses and hemp businesses that are the subject of complaint by a local unit of government.

Subd. 5. **Violations; administrative orders and penalties.** (a) The office may issue an administrative order to any licensed cannabis business or hemp business that the office determines has committed a violation of this chapter or rules adopted pursuant to this chapter. The administrative order may require the business to correct the violation or to cease and desist from committing the violation. The order must state the deficiencies that constitute the violation and the time by which the violation must be corrected. If the business believes that the information in the administrative order is in error, the business may ask the office to consider the parts of the order that are alleged to be in error. The request must be in writing, delivered to the office by certified mail within seven days after receipt of the order, and provide documentation to support the allegation of error. The office must respond to a request for reconsideration within 15 days after receiving the request. A request for reconsideration does not stay the correction order unless the office issues a supplemental order granting additional time. The office's disposition of a request for reconsideration is final.

(b) For each violation of this chapter or rules adopted pursuant to this chapter, the office may issue to each cannabis business or hemp business a monetary penalty of up to \$10,000, an amount that deprives the business of any economic advantage gained by the violation, or both.

(c) An administrative penalty may be recovered in a civil action in the name of the state brought in the district court of the county where the violation is alleged to have occurred or the district court where the office is housed.

(d) In addition to penalties listed in this subdivision, a person or business who violates the provisions of this chapter is subject to any applicable criminal penalty.

Sec. 20. **[342.20] DATA PRACTICES.**

Subdivision 1. **Not public data.** The following data collected, created, or maintained by the office are classified as nonpublic data, as defined by section 13.02, subdivision 9, or as private data on individuals, as defined by section 13.02, subdivision 12:

(1) application data submitted by an applicant for a cannabis business license or hemp business license, other than the data listed in subdivision 2;

(2) the identity of a complainant who has made a report concerning a license holder or an applicant that appears in inactive investigative data unless the complainant consents to the disclosure;

(3) data identifying retail or wholesale customers of a cannabis business or hemp business; and

(4) data identifying cannabis workers or hemp workers.

Subd. 2. **Public data on license applicants.** (a) The following application data submitted by an applicant for a cannabis business license or hemp business license are public data:

(1) the applicant's name and designated address;

(2) data disclosing the ownership and control of the applicant;

(3) proof of trade name registration;

(4) data showing the legal possession of the premises where the business will operate;

(5) data describing whether volatile chemicals will be used in any methods of extraction or concentration;

(6) environmental plans;

(7) the type and number of other cannabis business licenses or hemp business licenses held by the applicant; and

(8) the name, address, location, dates, and hours of where any proposed cannabis event will take place.

(b) Scoring and other data generated by the office in its review of an applicant for a cannabis business license or hemp business license are public data.

Subd. 3. **Public application data on license holders.** Once an applicant for a cannabis business license or hemp business license becomes a license holder, all of the application data that the license

holder had previously submitted to the office are public data except that the following data remain classified as nonpublic data or private data on individuals:

(1) data identifying retail or wholesale customers of a cannabis business or hemp business;

(2) data identifying cannabis workers or hemp workers;

(3) tax returns, bank account statements, and other financial account information;

(4) business plans; and

(5) data classified as nonpublic data or private data on individuals by chapter 13 or other applicable law.

Subd. 4. **Civil investigative data.** Data collected or maintained by the office as part of an active investigation undertaken for the purpose of the commencement or defense of a pending civil legal action, or that are retained in anticipation of a pending civil legal action, must be subject to section 13.39.

Subd. 5. **Data practices administration.** (a) The office must establish written procedures to ensure that only individuals authorized by law may enter, update, or access data maintained by the office and classified as nonpublic or private data on individuals. An authorized individual's ability to enter, update, or access not public data must correspond to the official duties or training level of the individual and to the statutory authorization granting access for that purpose. All queries and responses, and all actions in which not public data are entered, updated, accessed, shared, or disseminated, must be recorded in a data audit trail. Data contained in the audit trail have the same classification as the underlying data tracked by the audit trail.

(b) The office must not share data classified as nonpublic or private data on individuals under this section or other data identifying an individual applicant or license holder with any federal agency, federal department, or federal entity unless specifically ordered to do so by a state or federal court.

(c) The office must arrange for an independent audit to verify compliance with this section. The audit must be completed annually for the first two years following establishment of the office and biennially thereafter. The results of the audit are public. No later than 30 days following completion of the audit, the office must provide a report summarizing the audit results to the chairs and ranking minority members of the committees and divisions of the house of representatives and the senate with jurisdiction over commerce and data practices, and the Legislative Commission on Data Practices and Personal Data Privacy. The report must be submitted as required under section 3.195, except that printed copies are not required.

Sec. 21. **[342.21] LICENSE SUSPENSION OR REVOCATION; HEARING.**

Subdivision 1. **License revocation and nonrenewal.** The office may revoke or not renew a license when the office has cause to believe that a cannabis business or hemp business has violated an ownership or operational requirement in this chapter or rules adopted pursuant to this chapter. The office must notify the license holder in writing, specifying the grounds for revocation or nonrenewal and fixing a time of at least 20 days thereafter for a hearing on the matter.

Subd. 2. **Hearing; written findings.** (a) Before the office revokes or does not renew a license, the office must provide the license holder with a statement of the complaints made against the license holder, and the office must hold a hearing to determine whether the office should revoke the license or deny renewal of the license. The license holder shall receive notice at least 20 days before the date of the hearing and notice may be served either by certified mail addressed to the address of the license holder as shown in the license application or in the manner provided by law for the service of a summons. At the time and place fixed for the hearing, the office, or any office employee or agent authorized by the office to conduct the hearing, shall receive evidence, administer oaths, and examine witnesses.

(b) After the hearing held pursuant to paragraph (a), or upon the failure of the license holder to appear at the hearing, the office must take action as is deemed advisable and issue written findings that the office must mail to the license holder. An action of the office under this paragraph is subject to judicial review pursuant to chapter 14.

Subd. 3. **Temporary suspension.** The office may temporarily, without hearing, suspend the license and operating privilege of any business licensed under this chapter for up to 90 days if continuing the operation of the business would threaten the health or safety of any person. The office may extend the period for an additional 90 days if the office notified the business that the office intends to revoke or not renew a license and the hearing required under subdivision 2 has not taken place.

Sec. 22. **[342.22] RETAILERS; LOCAL REGISTRATION AND ENFORCEMENT.**

Subdivision 1. **Registration required.** Before making retail sales to customers or patients, a cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness with a retail operations endorsement, cannabis retailer, medical cannabis retailer, medical cannabis combination business, or lower-potency hemp edible retailer must register with the city, town, or county in which the retail establishment is located. A county may issue a registration in cases where a city or town has provided consent for the county to issue the registration for the jurisdiction.

Subd. 2. **Registration fee.** (a) A local unit of government may impose an initial retail registration fee of \$500 or up to half the amount of the applicable initial license fee under section 342.11, whichever is less. The local unit of government may also impose a renewal retail registration fee of \$1,000 or up to half the amount of the applicable renewal license fee under section 342.11, whichever is less. The initial registration fee shall include the fee for initial registration and the first annual renewal. Any renewal fee imposed by the local unit of government shall be charged at the time of the second renewal and each subsequent annual renewal thereafter.

(b) The local unit of government may not charge an application fee.

(c) A cannabis business with a cannabis retailer license and a medical cannabis retailer license for the same location may only be charged a single registration fee.

(d) Registration fees are nonrefundable.

Subd. 3. **Issuance of registration.** (a) A local unit of government shall issue a retail registration to a cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness with a

retail operations endorsement, cannabis retailer, medical cannabis retailer, or lower-potency hemp edible retailer that:

(1) has a valid license issued by the office;

(2) has paid the registration fee or renewal fee pursuant to subdivision 2;

(3) is found to be in compliance with the requirements of this chapter at any preliminary compliance check that the local unit of government performs; and

(4) if applicable, is current on all property taxes and assessments at the location where the retail establishment is located.

(b) Before issuing a retail registration, the local unit of government may conduct a preliminary compliance check to ensure that the cannabis business or hemp business is in compliance with the applicable operation requirements and the limits on the types of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products that may be sold.

(c) A local unit of government shall renew the retail registration of a cannabis business or hemp business when the office renews the license of the cannabis business or hemp business.

(d) A retail registration issued under this section may not be transferred.

Subd. 4. Compliance checks. (a) A local unit of government shall conduct compliance checks of every cannabis business and hemp business with a retail registration issued by the local unit of government. The checks shall assess compliance with age verification requirements, the applicable operation requirements, and the applicable limits on the types of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products being sold.

(b) The local unit of government must conduct unannounced age verification compliance checks at least once each calendar year. Age verification compliance checks must involve persons at least 17 years of age, but under the age of 21, who, with the prior written consent of a parent or guardian if the person is under the age of 18, attempt to purchase adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products under the direct supervision of a law enforcement officer or an employee of the local unit of government.

(c) Checks to ensure compliance with the applicable operation requirements and the limits on the types of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products that may be sold must be performed at least once each calendar year and may be performed by a law enforcement officer or an employee of the local unit of government.

Subd. 5. Registration suspension and cancellation; notice to office; penalties. (a) If a local unit of government determines that a cannabis business or hemp business with a retail registration issued by the local unit of government is not operating in compliance with the requirements of this chapter or that the operation of the business poses an immediate threat to the health or safety of the public, the local unit of government may suspend the retail registration of the cannabis business or hemp business. The local unit of government must immediately notify the office of the suspension and shall include a description of the grounds for the suspension.

(b) The office shall review the retail registration suspension and may order reinstatement of the retail registration or take any action described in section 342.19 or 342.21.

(c) The retail registration suspension must be for up to 30 days unless the office suspends the license and operating privilege of the cannabis business or hemp business for a longer period or revokes the license.

(d) The local unit of government may reinstate the retail registration if the local unit of government determines that any violation has been cured. The local unit of government must reinstate the retail registration if the office orders reinstatement.

(e) No cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness with a retail operations endorsement, cannabis retailer, medical cannabis retailer, medical cannabis combination business, or lower-potency hemp edible retailer may make any sale to a customer or patient without a valid retail registration. A local unit of government may impose a civil penalty of up to \$2,000 for each violation of this paragraph.

Sec. 23. [342.23] CANNABIS BUSINESSES AND HEMP BUSINESSES; GENERAL OPERATIONAL REQUIREMENTS.

Subdivision 1. **Records.** (a) Cannabis businesses and hemp businesses must retain financial records for the current and previous tax years at the primary business location and must make those records available for inspection by the office at any time during regular business hours.

(b) When applicable, a cannabis business or hemp business must maintain financial records for the previous ten tax years and must make those records available for inspection within one business day of receiving a request for inspection by the office.

(c) The office may require a cannabis business or hemp business to submit to an audit of its business records. The office may select or approve the auditor and the cannabis business or hemp business must provide the auditor with access to all business records. The cost of the audit must be paid by the cannabis business or hemp business.

Subd. 2. **Diversity report.** Cannabis businesses and hemp businesses shall provide an annual report on the status of diversity in the business ownership, management, and employment and in services for which the business contracts.

Subd. 3. **Disposal; loss documentation.** (a) Cannabis businesses and hemp businesses must dispose of cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products that are damaged, have a broken seal, have been contaminated, or have not been sold by the expiration date on the label.

(b) Disposal must be conducted in a manner approved by the office.

(c) Disposal of any cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, and hemp-derived consumer products that are required to be entered into the statewide monitoring system must be documented in the statewide monitoring system.

(d) Loss or theft of any cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, or hemp-derived consumer products that are required to be entered into the statewide monitoring system must be reported to local law enforcement and a business must log any such loss or theft in the statewide monitoring system as soon as the loss or theft is discovered.

Subd. 4. **Sale of approved products.** Cannabis businesses and hemp businesses may only sell cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products that are a product category approved by the office and that comply with this chapter and rules adopted pursuant to this chapter regarding the testing, packaging, and labeling of cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products.

Subd. 5. **Financial relationship.** (a) Except for the lawful sale of cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products in the ordinary course of business and as otherwise provided in this subdivision, no cannabis business or hemp business may offer, give, accept, receive, or borrow money or anything else of value or accept or receive credit from any other cannabis business. This prohibition applies to offering or receiving a benefit in exchange for preferential placement by a retailer, including preferential placement on the retailer's shelves, display cases, or website. This prohibition applies to every cooperative member or every director, manager, and general partner of a cannabis business or hemp business.

(b) This prohibition does not apply to merchandising credit in the ordinary course of business for a period not to exceed 30 days.

(c) This prohibition does not apply to free samples of usable cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products packaged in a sample jar protected by a plastic or metal mesh screen to allow customers to smell the cannabis flower, cannabis product, lower-potency hemp edible, or hemp-derived consumer product before purchase. A sample jar may not contain more than eight grams of usable cannabis flower, more than eight grams of a cannabis concentrate, an edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol, a lower-potency hemp edible infused with more than 50 milligrams of tetrahydrocannabinol, or a hemp-derived consumer product with a total weight of more than eight grams.

(d) This prohibition does not apply to free samples of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products provided to a retailer or cannabis wholesaler for the purposes of quality control and to allow retailers to determine whether to offer a product for sale. A sample provided for these purposes may not contain more than eight grams of usable cannabis flower, more than eight grams of a cannabis concentrate, an edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol, a lower-potency hemp edible infused with more than 50 milligrams of tetrahydrocannabinol, or a hemp-derived consumer product with a total weight of more than eight grams.

(e) This prohibition does not apply to any fee charged by a licensed cannabis event organizer to a cannabis business or hemp business for participation in a cannabis event.

Subd. 6. **Customer privacy.** Cannabis businesses and hemp businesses must not share data on retail or wholesale customers with any federal agency, federal department, or federal entity unless specifically ordered by a state or federal court.

Sec. 24. **[342.24] CANNABIS BUSINESSES; GENERAL OPERATIONAL REQUIREMENTS AND PROHIBITIONS.**

Subdivision 1. **Individuals under 21 years of age.** (a) A cannabis business may not employ an individual under 21 years of age and may not contract with an individual under 21 years of age if the individual's scope of work involves the handling of cannabis plants, cannabis flower, artificially derived cannabinoids, or cannabinoid products.

(b) A cannabis business may not permit an individual under 21 years of age to enter the business premises other than entry by a patient enrolled in the registry program.

(c) A cannabis business may not sell or give cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to an individual under 21 years of age unless the individual is a patient; registered designated caregiver; or a parent, legal guardian, or spouse of a patient who is authorized to use, possess, or transport medical cannabis flower or medical cannabinoid products.

Subd. 2. **Use of cannabis flower and products within a licensed cannabis business.** (a) A cannabis business may not permit an individual who is not an employee to consume cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products within its licensed premises unless the business is licensed to permit on-site consumption.

(b) Except as otherwise provided in this subdivision, a cannabis business may not permit an employee to consume cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products within its licensed premises or while the employee is otherwise engaged in activities within the course and scope of employment.

(c) A cannabis business may permit an employee to use medical cannabis flower and medical cannabinoid products if that individual is a patient.

(d) For quality control, employees of a licensed cannabis business may sample cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products. Employees may not interact directly with customers for at least three hours after sampling a product. Employees may not consume more than three samples in a single 24-hour period. All samples must be recorded in the statewide monitoring system.

Subd. 3. **Restricted access.** (a) Except as otherwise provided in this subdivision, a cannabis business may not permit any individual to enter a restricted area unless the cannabis business records the individual's name, time of entry, time of exit, and authorization to enter the restricted area through the use of an electronic or manual entry log and the individual:

(1) is a cannabis worker employed by or contracted with the cannabis business;

(2) is an employee of the office or another enforcement agency;

(3) is a contractor of the cannabis business, including but not limited to an electrician, a plumber, an engineer, or an alarm technician, whose scope of work will not involve the handling of cannabis flower, cannabis products, or hemp-derived consumer products and, if the individual is working in an area with immediate access to cannabis flower, cannabis products, or hemp-derived consumer products, the individual is supervised at all times by a cannabis worker employed by or contracted with the cannabis business; or

(4) has explicit authorization from the office to enter a restricted area and, if the individual is in an area with immediate access to cannabis flower, cannabis products, or hemp-derived consumer products, the individual is supervised at all times by a cannabis worker employed by or contracted with the cannabis business.

(b) A cannabis business shall ensure that all areas of entry to restricted areas within its licensed premises are conspicuously marked and cannot be entered without recording the individual's name, time of entry, time of exit, and authorization to enter the restricted area.

Subd. 4. **Ventilation and filtration.** A cannabis business must maintain a ventilation and filtration system sufficient to meet the requirements for odor control established by the office.

Subd. 5. **Use of statewide monitoring system.** (a) A cannabis business must use the statewide monitoring system for integrated cannabis tracking, inventory, and verification to track all cannabis plants, cannabis flower, cannabis products, and hemp-derived consumer products the cannabis business has in its possession to the point of disposal, transfer, or sale.

(b) For the purposes of this subdivision, a cannabis business possesses the cannabis plants and cannabis flower that the business cultivates from seed or immature plant, if applicable, or receives from another cannabis business, and possesses the cannabis products and hemp-derived consumer products that the business manufactures or receives from another cannabis business.

(c) Sale and transfer of cannabis plants, cannabis flower, cannabis products, and hemp-derived consumer products must be recorded in the statewide monitoring system within the time established by rule.

Subd. 6. **Security.** A cannabis business must maintain and follow a security plan to deter and prevent the theft or diversion of cannabis plants, cannabis flower, cannabis products, or hemp-derived consumer products; unauthorized entry into the cannabis business; and the theft of currency.

Subd. 7. **Remuneration.** A cannabis business is prohibited from:

(1) accepting or soliciting any form of remuneration from a health care practitioner who certifies qualifying medical conditions for patients; or

(2) offering any form of remuneration to a health care practitioner who certifies qualifying medical conditions for patients.

Subd. 8. **Exclusions.** The requirements under this section do not apply to hemp businesses.

Subd. 9. **Exclusive contracts.** A cannabis business may not directly or indirectly make an agreement with a cannabis retailer that binds the cannabis retailer to purchase the products of one

cannabis cultivator or cannabis manufacturer to the exclusion of the products of other cannabis cultivators or cannabis manufacturers. A cannabis retailer who is a party to a violation of this section or who receives the benefits of a violation is equally guilty of a violation.

Sec. 25. **[342.25] CULTIVATION OF CANNABIS; GENERAL REQUIREMENTS.**

Subdivision 1. **Applicability.** Every cannabis business with a license or endorsement authorizing the cultivation of cannabis must comply with the requirements of this section.

Subd. 2. **Cultivation records.** A business licensed or authorized to cultivate cannabis must prepare a cultivation record for each batch of cannabis plants and cannabis flower in the form required by the office and must maintain each record for at least five years. The cultivation record must include the quantity and timing, where applicable, of each pesticide, fertilizer, soil amendment, or plant amendment used to cultivate the batch, as well as any other information required by the office in rule. The cannabis business must present cultivation records to the office, the commissioner of agriculture, or the commissioner of health upon request.

Subd. 3. **Agricultural chemicals and other inputs.** A business licensed or authorized to cultivate cannabis is subject to rules promulgated by the office in consultation with the commissioner of agriculture, subject to subdivision 5, governing the use of pesticides, fertilizers, soil amendments, plant amendments, and other inputs to cultivate cannabis.

Subd. 4. **Cultivation plan.** A business licensed or authorized to cultivate cannabis must prepare, maintain, and execute an operating plan and a cultivation plan as directed by the office in rule, which must include but is not limited to:

(1) water usage;

(2) recycling;

(3) solid waste disposal; and

(4) a pest management protocol that incorporates integrated pest management principles to control or prevent the introduction of pests to the cultivation site.

Subd. 5. **Agricultural chemicals and other inputs; pollinator protection.** (a) A business licensed or authorized to cultivate cannabis must comply with chapters 18B, 18C, 18D, and any other pesticide, fertilizer, soil amendment, and plant amendment laws and rules enforced by the commissioner of agriculture.

(b) A business licensed or authorized to cultivate cannabis must not apply pesticides when pollinators are present or allow pesticides to drift to flowering plants that are attractive to pollinators.

Subd. 6. **Adulteration prohibited.** A business licensed or authorized to cultivate cannabis must not treat or otherwise adulterate cannabis plants or cannabis flower with any substance or compound that has the effect or intent of altering the color, appearance, weight, potency, or odor of the cannabis.

Subd. 7. **Indoor or outdoor cultivation authorized; security.** A business licensed or authorized to cultivate cannabis may cultivate cannabis plants indoors or outdoors, subject to the security, fencing, lighting, and any other requirements imposed by the office in rule.

Subd. 8. **Exception.** Nothing in this section applies to the cultivation of hemp plants.

Sec. 26. **[342.26] MANUFACTURE OF CANNABIS PRODUCTS; GENERAL REQUIREMENTS.**

Subdivision 1. **Applicability.** Every cannabis business with a license or endorsement authorizing the creation of cannabis concentrate and manufacture of cannabis products and hemp-derived consumer products for public consumption must comply with the requirements of this section.

Subd. 2. **All manufacturer operations.** (a) Cannabis manufacturing must take place in an enclosed, locked facility that is used exclusively for the manufacture of cannabis products, creation of hemp concentrate, creation of artificially derived cannabinoids, creation of lower-potency hemp edibles, or creation of hemp-derived consumer products, except that a business that also holds a cannabis cultivator license may operate in a facility that shares general office space, bathrooms, entryways, and walkways.

(b) Cannabis manufacturing must take place on equipment that is used exclusively for the manufacture of cannabis products, creation of hemp concentrate, creation of artificially derived cannabinoids, creation of lower-potency hemp edibles, or creation of hemp-derived consumer products.

(c) A business licensed or authorized to manufacture cannabis products must comply with all applicable packaging, labeling, and health and safety requirements.

Subd. 3. **Extraction and concentration.** (a) A business licensed or authorized to manufacture cannabis products that creates cannabis concentrate, hemp concentrate, or artificially derived cannabinoids must obtain an endorsement from the office.

(b) A business licensed or authorized to manufacture cannabis products must inform the office of all methods of extraction and concentration that the manufacturer intends to use and identify the volatile chemicals, if any, that will be involved in the creation of cannabis concentrate or hemp concentrate. A cannabis manufacturer may not use a method of extraction and concentration or a volatile chemical without approval by the office.

(c) A business licensed or authorized to manufacture cannabis products must inform the office of all methods of conversion that the manufacturer will use, including any specific catalysts that the manufacturer will employ, to create artificially derived cannabinoids and the molecular nomenclature of all cannabinoids or other chemical compounds that the manufacturer will create. A business licensed or authorized to manufacture cannabis products may not use a method of conversion or a catalyst without approval by the office.

(d) A business licensed or authorized to manufacture cannabis products must obtain a certification from an independent third-party industrial hygienist or professional engineer approving:

(1) all electrical, gas, fire suppression, and exhaust systems; and

(2) the plan for safe storage and disposal of hazardous substances, including but not limited to any volatile chemicals.

(e) A business licensed or authorized to manufacture cannabis products that manufactures cannabis concentrate from cannabis flower received from an unlicensed person who is at least 21 years of age must comply with all health and safety requirements established by the office. At a minimum, the office shall require the manufacturer to:

(1) store the cannabis flower in an area that is segregated from cannabis flower and hemp plant parts received from a licensed cannabis business;

(2) perform the extraction and concentration on equipment that is used exclusively for extraction or concentration of cannabis flower received from unlicensed individuals;

(3) store any cannabis concentrate in an area that is segregated from cannabis concentrate, hemp concentrate, or artificially derived cannabinoids derived or manufactured from cannabis flower or hemp plant parts received from a licensed cannabis business; and

(4) provide any cannabis concentrate only to the person who provided the cannabis flower.

(f) Upon the sale of cannabis concentrate, hemp concentrate, or artificially derived cannabinoids to any person, cooperative, or business, a business licensed or authorized to manufacture cannabis products must provide a statement to the buyer that discloses the method of extraction and concentration or conversion used and any solvents, gases, or catalysts, including but not limited to any volatile chemicals, involved in that method.

Subd. 4. **Production of consumer products.** (a) A business licensed or authorized to manufacture cannabis products that produces edible cannabis products or lower-potency hemp edibles must obtain an edible cannabinoid product handler endorsement from the office.

(b) A business licensed or authorized to manufacture cannabis products must obtain an endorsement from the office to produce:

(1) cannabis products other than edible cannabis products; or

(2) hemp-derived consumer products other than lower-potency hemp edibles.

(c) All areas within the licensed premises of a business licensed or authorized to manufacture cannabis products producing cannabis products, lower-potency hemp edibles, or hemp-derived consumer products must meet the sanitary standards specified in rules adopted by the office.

(d) A business licensed or authorized to manufacture cannabis products may only add chemicals or compounds approved by the office to cannabis concentrate, hemp concentrate, or artificially derived cannabinoids.

(e) Upon the sale of any cannabis product, lower-potency hemp edible, or hemp-derived consumer product to a cannabis business or hemp business, a business licensed or authorized to manufacture cannabis products must provide a statement to the buyer that discloses the product's ingredients, including but not limited to any chemicals or compounds and any major food allergens declared by name.

(f) A business licensed or authorized to manufacture cannabis products shall not add any cannabis flower, cannabis concentrate, artificially derived cannabinoid, hemp plant part, or hemp concentrate

to a product where the manufacturer of the product holds a trademark to the product's name, except that a business licensed or authorized to manufacture cannabis products may use a trademarked food product if the manufacturer uses the product as a component or as part of a recipe and where the business licensed or authorized to manufacture cannabis products does not state or advertise to the customer that the final retail cannabis product, lower-potency hemp edible, or hemp-derived consumer product contains a trademarked food product.

Subd. 5. **Exception.** Nothing in this section applies to the operations of a lower-potency hemp edible manufacturer.

Sec. 27. **[342.27] RETAIL SALE OF CANNABIS FLOWER AND PRODUCTS; GENERAL REQUIREMENTS.**

Subdivision 1. **Applicability.** Every cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products must comply with the requirements of this section.

Subd. 2. **Sale of cannabis and cannabinoid products.** (a) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may only sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to individuals who are at least 21 years of age.

(b) A cannabis business with a license or endorsement authorizing the retail sale of adult-use cannabis flower or adult-use cannabis products may sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products that:

(1) are obtained from a business licensed under this chapter; and

(2) meet all applicable packaging and labeling requirements.

(c) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may sell up to two ounces of adult-use cannabis flower or hemp-derived consumer products consisting primarily of hemp plant parts, up to eight grams of adult-use cannabis concentrate or hemp-derived consumer products consisting primarily of hemp concentrate or artificially derived cannabinoids, and edible cannabis products and lower-potency hemp edibles infused with up to 800 milligrams of tetrahydrocannabinol during a single transaction to a customer.

(d) Edible adult-use cannabis products and hemp-derived consumer products intended to be eaten may not include more than ten milligrams of tetrahydrocannabinol per serving and a single package may not include more than a total of 200 milligrams of tetrahydrocannabinol. A package may contain multiple servings of ten milligrams of tetrahydrocannabinol provided that each serving is indicated by scoring, wrapping, or other indicators designating the individual serving size.

(e) Edible adult-use cannabis products and hemp-derived consumer products intended to be consumed as beverages may not include more than ten milligrams of tetrahydrocannabinol per serving. A single beverage container may not contain more than two servings.

Subd. 3. **Sale of other products.** (a) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may sell cannabis paraphernalia, including but not limited to childproof packaging containers and other devices designed to ensure the safe storage and monitoring of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products in the home to prevent access by individuals under 21 years of age.

(b) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may sell hemp-derived topical products.

(c) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may sell the following products that do not contain cannabis flower, cannabis concentrate, hemp concentrate, artificially derived cannabinoids, or tetrahydrocannabinol:

(1) drinks that do not contain alcohol and are packaged in sealed containers labeled for retail sale;

(2) books and videos on the cultivation and use of cannabis flower and products that contain cannabinoids;

(3) magazines and other publications published primarily for information and education on cannabis plants, cannabis flower, and products that contain cannabinoids;

(4) multiple-use bags designed to carry purchased items;

(5) clothing marked with the specific name, brand, or identifying logo of the retailer;

(6) hemp fiber products and products that contain hemp grain; and

(7) products that detect the presence of fentanyl or a fentanyl analog.

Subd. 4. **Age verification.** (a) Prior to initiating a sale, an employee of a cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products must verify that the customer is at least 21 years of age.

(b) Proof of age may be established only by one of the following:

(1) a valid driver's license or identification card issued by Minnesota, another state, or a province of Canada, and including the photograph and date of birth of the licensed person;

(2) a valid Tribal identification card as defined in section 171.072, paragraph (b);

(3) a valid passport issued by the United States;

(4) a valid instructional permit issued under section 171.05 to a person of legal age to purchase adult-use cannabis flower or adult-use cannabis products, which includes a photograph and the date of birth of the person issued the permit; or

(5) in the case of a foreign national, by a valid passport.

(c) A retailer may seize a form of identification listed under paragraph (b) if the cannabis retailer has reasonable grounds to believe that the form of identification has been altered or falsified or is being used to violate any law. A retailer that seizes a form of identification as authorized under this paragraph must deliver it to a law enforcement agency within 24 hours of seizing it.

Subd. 5. Display of cannabis flower and products. (a) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products must designate a retail area where customers are permitted. The retail area shall include the portion of the premises where samples of cannabis flower and cannabis products available for sale are displayed. All other cannabis flower and cannabis products must be stored in the secure storage area.

(b) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may display one sample of each type of cannabis flower or cannabis product available for sale. Samples of cannabis flower and cannabis products must be stored in a sample jar or display case and be accompanied by a label or notice containing the information required to be affixed to the packaging or container containing cannabis flower and cannabis products sold to customers. A sample may not contain more than eight grams of adult-use cannabis flower or adult-use cannabis concentrate or an edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol. A cannabis retailer may allow customers to smell the cannabis flower or cannabis product before purchase.

(c) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may not sell cannabis flower or cannabis products used as a sample for display. If the retailer uses display samples of lower-potency hemp edibles or hemp-derived consumer products, the retailer may not sell the product used as a sample for display.

Subd. 6. Posting of notices. A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products must post all notices as required by the office, including but not limited to:

- (1) information about any product recall;
- (2) a statement that operating a motor vehicle under the influence of intoxicating cannabinoids is illegal; and
- (3) a statement that cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products are only intended for consumption by individuals who are at least 21 years of age.

Subd. 7. Hours of operation. (a) Except as provided by paragraph (b), a cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may not sell cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products between 2:00 a.m. and 8:00 a.m. on the days of Monday through Saturday nor between 2:00 a.m. and 10:00 a.m. on Sunday.

(b) A city or county may adopt an ordinance to prohibit sales for any period between 9:00 p.m. and 2:00 a.m. the following day or between 8:00 a.m. and 10:00 a.m. on the days of Monday through Saturday.

(c) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may not be open to the public or sell any other products at times when the cannabis business is prohibited from selling cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products.

Subd. 8. **Building conditions.** (a) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products shall maintain compliance with state and local building, fire, and zoning requirements or regulations.

(b) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products shall ensure that the licensed premises is maintained in a clean and sanitary condition, free from infestation by insects, rodents, or other pests.

Subd. 9. **Security.** A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products shall maintain compliance with security requirements established by the office, including but not limited to requirements for maintaining video surveillance records, using specific locking mechanisms, establishing secure entries, and the number of employees working at all times.

Subd. 10. **Lighting.** A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products must keep all lighting outside and inside the dispensary in good working order and sufficient wattage for security cameras.

Subd. 11. **Deliveries.** A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may only accept deliveries of cannabis flower, cannabis products, and hemp-derived consumer products in a limited access area. Deliveries may not be accepted through the public access areas unless otherwise approved by the office.

Subd. 12. **Prohibitions.** A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products shall not:

(1) sell cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a person who is visibly intoxicated;

(2) knowingly sell more cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products than a customer is legally permitted to possess;

(3) give away immature cannabis plants or seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(4) operate a drive-through window;

(5) allow for the dispensing of cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in vending machines; or

(6) sell cannabis plants, cannabis flower, or cannabis products if the cannabis retailer knows that any required security or statewide monitoring systems are not operational.

Subd. 13. **Adult-use and medical cannabis; colocation.** (a) A cannabis business with a license or endorsement authorizing the retail sale of adult-use cannabis flower or adult-use cannabis products

that is also a licensed medical cannabis retailer may sell medical cannabis flower and medical cannabinoid products on a portion of the business's premises.

(b) The premises must provide an appropriate space for a pharmacist employee of the medical cannabis retailer to consult with a patient to determine the proper type of medical cannabis flower and medical cannabinoid products and proper dosage for the patient.

Subd. 14. **Exception.** Nothing in this section applies to the operations of a lower-potency hemp edible retailer.

Sec. 28. **[342.28] CANNABIS MICROBUSINESS LICENSING AND OPERATIONS.**

Subdivision 1. **Authorized actions.** A cannabis microbusiness license, consistent with the specific license endorsement or endorsements, entitles the license holder to perform any or all of the following within the limits established by this section:

(1) grow cannabis plants from seed or immature plant to mature plant and harvest cannabis flower from a mature plant;

(2) make cannabis concentrate;

(3) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

(4) manufacture artificially derived cannabinoids;

(5) manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

(6) purchase immature cannabis plants and seedlings and cannabis flower from another cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler;

(7) purchase hemp plant parts and propagules from an industrial hemp grower licensed under chapter 18K;

(8) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

(9) purchase cannabis concentrate, hemp concentrate, and artificially derived cannabinoids from another cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler for use in manufacturing adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(10) package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;

(11) sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to other cannabis businesses and to customers;

(12) operate an establishment that permits on-site consumption of edible cannabis products and lower-potency hemp edibles; and

(13) perform other actions approved by the office.

Subd. 2. **Size limitations.** (a) A cannabis microbusiness that cultivates cannabis at an indoor facility may cultivate up to 5,000 square feet of plant canopy. The office may adjust plant canopy limits upward to meet market demand consistent with the goals identified in section 342.02, subdivision 1.

(b) A cannabis microbusiness that cultivates cannabis at an outdoor location may cultivate up to one-half acre of mature, flowering plants unless the office increases that limit. The office may increase the limit to no more than one acre if the office determines that expansion is consistent with the goals identified in section 342.02, subdivision 1.

(c) The office shall establish a limit on the manufacturing of cannabis products, lower-potency hemp edibles, or hemp-derived consumer products a cannabis microbusiness that manufactures such products may perform. The limit must be equivalent to the amount of cannabis flower that can be harvested from a facility with a plant canopy of 5,000 square feet in a year, but may be increased if the office expands the allowable area of cultivation under paragraph (a).

(d) A cannabis microbusiness with the appropriate endorsement may operate one retail location.

Subd. 3. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis microbusiness license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; plans for wastewater and waste disposal for any cultivation or manufacturing activities; plans for providing electricity, water, and other utilities necessary for the normal operation of any cultivation or manufacturing activities; plans for compliance with applicable building codes and federal and state environmental and workplace safety requirements and policies; and plans to avoid sales to unlicensed cannabis businesses and individuals under 21 years of age;

(2) if the applicant is seeking an endorsement to cultivate cannabis plants and harvest cannabis flower, a cultivation plan demonstrating the proposed size and layout of the cultivation facility that will be used exclusively for cultivation, including the total amount of plant canopy;

(3) if the applicant is seeking an endorsement to create cannabis concentrate, hemp concentrate, or artificial cannabinoids, information identifying all methods of extraction, concentration, or conversion that the applicant intends to use and the volatile chemicals and catalysts, if any, that will be involved in extraction, concentration, or creation; and

(4) evidence that the applicant will comply with the applicable operation requirements for the license being sought.

Subd. 4. **Exception.** The requirement of an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement is not required as part of an application for a cannabis microbusiness license.

Subd. 5. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis microbusiness license may also hold a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis microbusiness license may own or operate any other cannabis business or hemp business or hold more than one cannabis microbusiness license.

(c) For purposes of this subdivision, a restriction on the number or type of license that a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Subd. 6. **Cultivation endorsement.** A cannabis microbusiness that cultivates cannabis plants and harvests cannabis flower must comply with the requirements in section 342.25.

Subd. 7. **Extraction and concentration endorsement.** A cannabis microbusiness that creates cannabis concentrate must comply with the requirements in section 342.26, subdivisions 2 and 3.

Subd. 8. **Production of customer products endorsement.** A cannabis microbusiness that manufactures edible cannabis products, lower-potency hemp products, or hemp-derived consumer products must comply with the requirements in section 342.26, subdivisions 2 and 4.

Subd. 9. **Retail operations endorsement.** A cannabis microbusiness that operates a retail location must comply with the requirements in section 342.27.

Subd. 10. **On-site consumption endorsement.** (a) A cannabis microbusiness may permit on-site consumption of edible cannabis products and lower-potency hemp edibles on a portion of its premises.

(b) The portion of the premises in which on-site consumption is permitted must be definite and distinct from all other areas of the microbusiness and must be accessed through a distinct entrance.

(c) Edible cannabis products and lower-potency hemp edibles sold for on-site consumption must comply with this chapter and rules adopted pursuant to this chapter regarding the testing, packaging, and labeling of cannabinoid products.

(d) Edible cannabinoid products and lower-potency hemp edibles sold for on-site consumption must be served in the required packaging but may be removed from the products' packaging by customers and consumed on site.

(e) Food and beverages not otherwise prohibited by this subdivision may be prepared and sold on site provided that the cannabis microbusiness complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(f) A cannabis microbusiness shall ensure that the display and consumption of any edible cannabis product or lower-potency hemp edible is not visible from outside of the licensed premises of the business.

(g) A cannabis microbusiness may offer recorded or live entertainment, provided that the cannabis microbusiness complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(h) A cannabis microbusiness may not:

(1) sell an edible cannabis product or a lower-potency hemp edible to an individual who is under 21 years of age;

(2) permit an individual who is under 21 years of age to enter the premises;

(3) sell an edible cannabis product or a lower-potency hemp edible to a person who is visibly intoxicated;

(4) sell or allow the sale or consumption of alcohol or tobacco on the premises;

(5) sell products that are intended to be eaten or consumed as a drink, other than packaged and labeled edible cannabis products and lower-potency hemp edibles, that contain cannabis flower or hemp plant parts or are infused with cannabis concentrate, hemp concentrate, or artificially derived cannabinoids;

(6) permit edible cannabis products or lower-potency hemp edibles sold in the portion of the area designated for on-site consumption to be removed from that area;

(7) permit adult-use cannabis flower, adult-use cannabis products, hemp-derived consumer products, or tobacco to be consumed through smoking or a vaporized delivery method on the premises; or

(8) distribute or allow free samples of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

Sec. 29. **[342.29] CANNABIS MEZZOBUSINESS LICENSING AND OPERATIONS.**

Subdivision 1. **Authorized actions.** A cannabis mezzobusiness license, consistent with the specific license endorsement or endorsements, entitles the license holder to perform any or all of the following within the limits established by this section:

(1) grow cannabis plants from seed or immature plant to mature plant and harvest cannabis flower from a mature plant for use as adult-use cannabis flower or for use in adult-use cannabis products;

(2) grow cannabis plants from seed or immature plant to mature plant and harvest cannabis flower from a mature plant for use as medical cannabis flower or for use in medical cannabinoid products;

(3) make cannabis concentrate;

(4) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

(5) manufacture artificially derived cannabinoids;

(6) manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

(7) process medical cannabinoid products;

(8) purchase immature cannabis plants and seedlings and cannabis flower from a cannabis microbusiness, another cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler;

(9) purchase cannabis concentrate, hemp concentrate, and synthetically derived cannabinoids from a cannabis microbusiness, another cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler for use in manufacturing adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(10) purchase hemp plant parts and propagules from a licensed hemp grower licensed under chapter 18K;

(11) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

(12) package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;

(13) sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to other cannabis businesses and to customers; and

(14) perform other actions approved by the office.

Subd. 2. **Size limitations.** (a) A cannabis mezzobusiness that cultivates cannabis at an indoor facility may cultivate up to 15,000 square feet of plant canopy. The office may adjust plant canopy limits upward to meet market demand consistent with the goals identified in section 342.02, subdivision 1.

(b) A cannabis mezzobusiness that cultivates cannabis at an outdoor location may cultivate up to one acre of mature, flowering plants unless the office increases that limit. The office may increase the limit to no more than three acres if the office determines that expansion is consistent with the goals identified in section 342.02, subdivision 1.

(c) The office shall establish a limit on the manufacturing of cannabis products, lower-potency hemp edibles, or hemp-derived consumer products a cannabis mezzobusiness that manufactures such products may perform. The limit must be equivalent to the amount of cannabis flower that can be harvested from a facility with a plant canopy of 15,000 square feet in a year but may be increased if the office expands the allowable area of cultivation under paragraph (a).

(d) A cannabis mezzobusiness with the appropriate endorsement may operate up to three retail locations.

Subd. 3. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person,

cooperative, or business seeking a cannabis mezzobusiness license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; plans for wastewater and waste disposal for any cultivation or manufacturing activities; plans for providing electricity, water, and other utilities necessary for the normal operation of any cultivation or manufacturing activities; plans for compliance with applicable building code and federal and state environmental and workplace safety requirements and policies; and plans to avoid sales to unlicensed cannabis businesses and individuals under 21 years of age;

(2) if the applicant is seeking an endorsement to cultivate cannabis plants and harvest cannabis flower, a cultivation plan demonstrating the proposed size and layout of the cultivation facility that will be used exclusively for cultivation, including the total amount of plant canopy;

(3) if the applicant is seeking an endorsement to create cannabis concentrate, hemp concentrate, or artificial cannabinoids, information identifying all methods of extraction, concentration, or conversion that the applicant intends to use and the volatile chemicals and catalysts, if any, that will be involved in extraction, concentration, or creation; and

(4) evidence that the applicant will comply with the applicable operation requirements for the license being sought.

Subd. 4. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis mezzobusiness license may also hold a cannabis event organizer license and a medical cannabis retailer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis mezzobusiness license may own or operate any other cannabis business or hemp business or hold more than one cannabis mezzobusiness license.

(d) For purposes of this subdivision, a restriction on the number or type of license that a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Subd. 5. **Cultivation endorsement.** A cannabis mezzobusiness that cultivates cannabis plants and harvests cannabis flower must comply with the requirements in section 342.25.

Subd. 6. **Extraction and concentration endorsement.** A cannabis mezzobusiness that creates cannabis concentrate must comply with the requirements in section 342.26, subdivisions 2 and 3.

Subd. 7. **Production of customer products endorsement.** A cannabis mezzobusiness that manufactures edible cannabis products, lower-potency hemp products, or hemp-derived consumer products must comply with the requirements in section 342.26, subdivisions 2 and 4.

Subd. 8. **Retail operations endorsement.** A cannabis mezzobusiness that operates a retail location must comply with the requirements in section 342.27.

Subd. 9. **Medical cannabis endorsement.** A cannabis mezzobusiness that cultivates cannabis plants for use as medical cannabis flower or for use in medical cannabinoid products, processes

medical cannabinoid products, or both, must comply with sections 342.49, paragraph (d); 342.50, paragraph (c), and any additional requirements established by the office.

Sec. 30. **[342.30] CANNABIS CULTIVATOR LICENSING AND OPERATIONS.**

Subdivision 1. **Authorized actions.** A cannabis cultivator license entitles the license holder to grow cannabis plants within the approved amount of space from seed or immature plant to mature plant, harvest cannabis flower from a mature plant, package and label immature cannabis plants and seedlings and cannabis flower for sale to other cannabis businesses, transport cannabis flower to a cannabis manufacturer located on the same premises, and perform other actions approved by the office.

Subd. 2. **Size limitations.** (a) A cannabis cultivator that cultivates cannabis at an indoor facility may cultivate up to 30,000 square feet of plant canopy. The office may adjust plant canopy limits upward to meet market demand consistent with the goals identified in section 342.02, subdivision 1.

(b) A cannabis cultivator that cultivates cannabis at an outdoor location may cultivate up to two acres of mature, flowering plants unless the office increases that limit. The office may increase the limit to no more than four acres if the office determines that expansion is consistent with the goals identified in section 342.02, subdivision 1.

Subd. 3. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis cultivator license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed size and layout of the cultivation facility; plans for wastewater and waste disposal for the cultivation facility; plans for providing electricity, water, and other utilities necessary for the normal operation of the cultivation facility; and plans for compliance with the applicable building code and federal and state environmental and workplace safety requirements;

(2) a cultivation plan demonstrating the proposed size and layout of the cultivation facility that will be used exclusively for cultivation including the total amount of plant canopy; and

(3) evidence that the business will comply with the applicable operation requirements for the license being sought.

Subd. 4. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis cultivator license may also hold a cannabis manufacturing license, medical cannabis cultivator license, medical cannabis producer license, license to grow industrial hemp, and cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis cultivator license may own or operate any other cannabis business or hemp business. This prohibition does not prevent the transportation of cannabis flower from a cannabis cultivator to a cannabis manufacturer licensed to the same person, cooperative, or business and located on the same premises.

(c) The office by rule may limit the number of cannabis cultivator licenses a person, cooperative, or business may hold.

(d) For purposes of this subdivision, a restriction on the number or type of license a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Subd. 5. **Cultivation operations.** A cannabis cultivator must comply with the requirements in section 342.25.

Sec. 31. **[342.31] CANNABIS MANUFACTURER LICENSING AND OPERATIONS.**

Subdivision 1. **Authorized actions.** A cannabis manufacturer license, consistent with the specific license endorsement or endorsements, entitles the license holder to:

(1) purchase cannabis flower, cannabis products, hemp plant parts, hemp concentrate, and artificially derived cannabinoids from a cannabis microbusiness, a cannabis mezzobusiness, a cannabis cultivator, another cannabis manufacturer, or a cannabis wholesaler;

(2) purchase hemp plant parts and propagules from an industrial hemp grower licensed under chapter 18K;

(3) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

(4) accept cannabis flower from unlicensed persons who are at least 21 years of age provided that the cannabis manufacturer does not accept more than two ounces from an individual on a single occasion;

(5) make cannabis concentrate;

(6) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

(7) manufacture artificially derived cannabinoids;

(8) manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

(9) package and label adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;

(10) sell cannabis concentrate, hemp concentrate, artificially derived cannabinoids, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to other cannabis businesses; and

(11) perform other actions approved by the office.

Subd. 2. **Size limitations.** The office shall establish a limit on the manufacturing of cannabis products, lower-potency hemp edibles, or hemp-derived consumer products a cannabis manufacturer may perform.

Subd. 3. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis manufacturer license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; plans for wastewater and waste disposal for the manufacturing facility; plans for providing electricity, water, and other utilities necessary for the normal operation of the manufacturing facility; and plans for compliance with applicable building code and federal and state environmental and workplace safety requirements; and

(2) evidence that the business will comply with the applicable operation requirements for the endorsement being sought.

Subd. 4. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis manufacturer license may also hold a cannabis cultivator license, a medical cannabis cultivator license, a medical cannabis processor license, and a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis manufacturer license may own or operate any other cannabis business or hemp business. This prohibition does not prevent transportation of cannabis flower from a cannabis cultivator to a cannabis manufacturer licensed to the same person, cooperative, or business and located on the same premises.

(c) The office by rule may limit the number of cannabis manufacturer licenses that a person or business may hold.

(d) For purposes of this subdivision, a restriction on the number or type of license that a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Subd. 5. **Manufacturing operations.** A cannabis manufacturer must comply with the requirements in section 342.26.

Sec. 32. **[342.32] CANNABIS RETAILER LICENSING AND OPERATIONS.**

Subdivision 1. **Authorized actions.** A cannabis retailer license entitles the license holder to:

(1) purchase immature cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, and cannabis wholesalers;

(2) purchase lower-potency hemp edibles from a licensed lower-potency hemp edible manufacturer;

(3) sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to customers; and

(4) perform other actions approved by the office.

Subd. 2. **Size limitations.** A cannabis retailer may operate up to five retail locations.

Subd. 3. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis retail license must submit the following information in a form approved by the office:

(1) a list of every retail license held by the applicant and, if the applicant is a business, every retail license held, either as an individual or as part of another business, by each officer, director, manager, and general partner of the cannabis business;

(2) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; policies to avoid sales to individuals who are under 21 years of age; identification of a restricted area for storage; and plans to prevent the visibility of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to individuals outside the retail location; and

(3) evidence that the business will comply with the applicable operation requirements for the license being sought.

Subd. 4. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis retailer license may also hold a cannabis delivery service license, a medical cannabis retailer license, and a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis retailer license may own or operate any other cannabis business or hemp business.

(c) No person, cooperative, or business may hold a license to own or operate more than one cannabis retail business in one city and three retail businesses in one county.

(d) The office by rule may limit the number of cannabis retailer licenses a person, cooperative, or business may hold.

(e) For purposes of this subdivision, a restriction on the number or type of license a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Subd. 5. **Municipal or county cannabis store.** A city or county may establish, own, and operate a municipal cannabis store subject to the restrictions in this chapter.

Sec. 33. **[342.33] CANNABIS WHOLESALER LICENSING.**

Subdivision 1. **Authorized actions.** A cannabis wholesaler license entitles the license holder to:

(1) purchase immature cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, and cannabis microbusinesses;

(2) purchase hemp plant parts and propagules from industrial hemp growers licensed under chapter 18K;

(3) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

(4) sell immature cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to cannabis microbusinesses, cannabis mezzobusinesses, cannabis manufacturers, and cannabis retailers;

(5) sell lower-potency hemp edibles to lower-potency hemp edible retailers;

(6) import hemp-derived consumer products and lower-potency hemp edibles that contain hemp concentrate or artificially derived cannabinoids that are derived from hemp plants or hemp plant parts; and

(7) perform other actions approved by the office.

Subd. 2. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis wholesaler license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed layout of the facility including a diagram of ventilation and filtration systems and policies to avoid sales to unlicensed cannabis businesses; and

(2) evidence that the business will comply with the applicable operation requirements for the license being sought.

Subd. 3. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis wholesaler license may also hold a cannabis transporter license, a cannabis delivery service license, and a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis wholesaler license may own or operate any other cannabis business or hemp business.

(c) The office by rule may limit the number of cannabis wholesaler licenses a person or business may hold.

(d) For purposes of this subdivision, a restriction on the number or type of license a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Sec. 34. [342.34] CANNABIS WHOLESALER OPERATIONS.

Subdivision 1. **Separation of products.** A cannabis wholesaler must ensure that cannabis plants, cannabis flower, and cannabis products are physically separated from all other products, including but not limited to lower-potency hemp edibles and hemp-derived consumer products, in a manner that prevents any cross-contamination.

Subd. 2. **Records and labels.** A cannabis wholesaler must maintain accurate records and ensure that appropriate labels remain affixed to cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products.

Subd. 3. **Building conditions.** (a) A cannabis wholesaler shall maintain compliance with state and local building, fire, and zoning requirements or regulations.

(b) A cannabis wholesaler shall ensure that the licensed premises is maintained in a clean and sanitary condition, free from infestation by insects, rodents, or other pests.

Subd. 4. **Sale of other products.** A cannabis wholesaler may purchase and sell other products or items for which the cannabis wholesaler has a license or authorization or that do not require a license or authorization. Products for which no license or authorization is required include but are not limited to industrial hemp products, products that contain hemp grain, hemp-derived topical products, and cannabis paraphernalia, including but not limited to childproof packaging containers and other devices designed to ensure the safe storage and monitoring of cannabis flower and cannabis products in the home to prevent access by individuals under 21 years of age.

Subd. 5. **Importation of hemp-derived products.** (a) A cannabis wholesaler that imports lower-potency hemp edibles or hemp-derived consumer products, other than hemp-derived topical products, that are manufactured outside the boundaries of the state of Minnesota with the intent to sell the products to a cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, or lower-potency hemp edible retailer must obtain a hemp-derived product importer endorsement from the office.

(b) A cannabis wholesaler with a hemp-derived product importer endorsement may sell products manufactured outside the boundaries of the state of Minnesota if:

(1) the manufacturer is licensed in another jurisdiction and subject to regulations designed to protect the health and safety of consumers that the office determines are substantially similar to the regulations in this state; or

(2) the cannabis wholesaler establishes, to the satisfaction of the office, that the manufacturer engages in practices that are substantially similar to the practices required for licensure of manufacturers in this state.

(c) The cannabis wholesaler must enter all relevant information regarding an imported hemp-derived consumer product into the statewide monitoring system before the product may be distributed. Relevant information includes information regarding the cultivation, processing, and testing of the industrial hemp used in the manufacture of the product and information regarding the testing of the hemp-derived consumer product. If information regarding the industrial hemp or hemp-derived consumer product was submitted to a statewide monitoring system used in another state, the office may require submission of any information provided to that statewide monitoring system and shall assist in the transfer of data from another state as needed and in compliance with any data classification established by either state.

(d) The office may suspend, revoke, or cancel the endorsement of a distributor who is prohibited from distributing products containing cannabinoids in any other jurisdiction, convicted of an offense involving the distribution of products containing cannabinoids in any other jurisdiction, or found

liable for distributing any product that injured customers in any other jurisdiction. A cannabis wholesaler shall disclose all relevant information related to actions in another jurisdiction. Failure to disclose relevant information may result in disciplinary action by the office, including the suspension, revocation, or cancellation of an endorsement or license.

(e) Notwithstanding any law to the contrary, it shall not be a defense in any civil or criminal action that a licensed wholesaler relied on information on a product label or otherwise provided by a manufacturer who is not licensed in this state.

Sec. 35. **[342.35] CANNABIS TRANSPORTER LICENSING.**

Subdivision 1. **Authorized actions.** A cannabis transporter license entitles the license holder to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, lower-potency hemp edible manufacturers, medical cannabis retailers, medical cannabis processors, and industrial hemp growers to cannabis microbusinesses, cannabis mezzobusinesses, cannabis manufacturers, cannabis testing facilities, cannabis wholesalers, cannabis retailers, lower-potency hemp edible retailers, medical cannabis processors, medical cannabis retailers, and medical cannabis combination businesses and perform other actions approved by the office.

Subd. 2. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis transporter license must submit the following information in a form approved by the office:

(1) an appropriate surety bond, certificate of insurance, qualifications as a self-insurer, or other securities or agreements, in the amount of not less than \$300,000, for loss of or damage to cargo;

(2) an appropriate surety bond, certificate of insurance, qualifications as a self-insurer, or other securities or agreements, in the amount of not less than \$1,000,000, for injury to one or more persons in any one accident and, if an accident has resulted in injury to or destruction of property, of not less than \$100,000 because of such injury to or destruction of property of others in any one accident;

(3) the number and type of equipment the business will use to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products;

(4) a loading, transporting, and unloading plan;

(5) a description of the applicant's experience in the distribution or security business; and

(6) evidence that the business will comply with the applicable operation requirements for the license being sought.

Subd. 3. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis transporter license may also hold a cannabis wholesaler license, a cannabis delivery service license, and a cannabis event organizer license.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis transporter license may own or operate any other cannabis business.

(c) The office by rule may limit the number of cannabis transporter licenses a person or business may hold.

(d) For purposes of this subdivision, restrictions on the number or type of license a business may hold apply to every cooperative member or every director, manager, and general partner of a cannabis business.

Sec. 36. **[342.36] CANNABIS TRANSPORTER OPERATIONS.**

Subdivision 1. **Manifest required.** Before transporting immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products, a cannabis transporter shall obtain a shipping manifest on a form established by the office. The manifest must be kept with the products at all times and the cannabis transporter must maintain a copy of the manifest in its records.

Subd. 2. **Records of transportation.** Records of transportation must be kept for a minimum of three years at the cannabis transporter's place of business and are subject to inspection upon request by the office or law enforcement agency. Records of transportation include the following:

- (1) copies of transportation manifests for all deliveries;
- (2) a transportation log documenting the chain of custody for each delivery, including every employee and vehicle used during transportation; and
- (3) financial records showing payment for transportation services.

Subd. 3. **Storage compartment.** Immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products must be transported in a locked, safe, and secure storage compartment that is part of the motor vehicle or in a locked storage container that has a separate key or combination pad. Items being transported may not be visible from outside the motor vehicle.

Subd. 4. **Identifying logos or business names prohibited.** No vehicle or trailer may contain an image depicting the types of items being transported, including but not limited to an image depicting a cannabis or hemp leaf, or a name suggesting that the vehicle is used in transporting immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 5. **Randomized deliveries.** A cannabis transporter shall ensure that all delivery times and routes are randomized.

Subd. 6. **Multiple employees.** All cannabis transporter vehicles transporting immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp

plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products must be staffed with a minimum of two employees. At least one delivery team member shall remain with the motor vehicle at all times that the motor vehicle contains immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 7. **Nonemployee passengers prohibited.** Only a cannabis worker employed by or contracted with the cannabis transporter and who is at least 21 years of age may transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products. All passengers in a vehicle must be cannabis workers employed by or contracted with the cannabis transporter.

Subd. 8. **Drivers license required.** All drivers must carry a valid driver's license with the proper endorsements when operating a vehicle transporting immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 9. **Vehicles subject to inspection.** Any vehicle assigned for the purposes of transporting immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products is subject to inspection and may be stopped or inspected at any licensed cannabis business or while en route during transportation.

Sec. 37. **[342.37] CANNABIS TESTING FACILITY LICENSING.**

Subdivision 1. **Authorized actions.** A cannabis testing facility license entitles the license holder to obtain and test immature cannabis plants and seedlings, cannabis flower, cannabis products, hemp plant parts, hemp concentrate, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, lower-potency hemp edible manufacturers, medical cannabis cultivators, medical cannabis processors, medical cannabis combination businesses, and industrial hemp growers.

Subd. 2. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis testing facility license must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems and policies to avoid sales to unlicensed businesses;

(2) proof of accreditation by a laboratory accrediting organization approved by the office that, at a minimum, requires a laboratory to operate formal management systems under the International Organization for Standardization; and

(3) evidence that the business will comply with the applicable operation requirements for the license being sought.

Subd. 3. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis testing facility license may not own or operate, or be employed by, any other cannabis business or hemp business.

(b) The office by rule may limit the number of cannabis testing facility licenses a person or business may hold.

(c) For purposes of this subdivision, a restriction on the number of licenses a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Sec. 38. **[342.38] CANNABIS TESTING FACILITY OPERATIONS.**

Subdivision 1. **Testing services.** A cannabis testing facility shall provide some or all testing services required under section 342.61 and rules adopted pursuant to that section.

Subd. 2. **Testing protocols.** A cannabis testing facility shall follow all testing protocols, standards, and criteria adopted by rule by the office for the testing of different forms of cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, hemp plant parts, hemp concentrate, and artificially derived cannabinoids; determining batch size; sampling; testing validity; and approval and disapproval of tested items.

Subd. 3. **Records.** Records of all business transactions and testing results; records required to be maintained pursuant to any applicable standards for accreditation; and records relevant to testing protocols, standards, and criteria adopted by the office must be kept for a minimum of three years at the cannabis testing facility's place of business and are subject to inspection upon request by the office or law enforcement agency.

Subd. 4. **Disposal of cannabis flower and products.** A testing facility shall dispose of or destroy used, unused, and waste cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, hemp plant parts, hemp concentrate, and artificially derived cannabinoids pursuant to rules adopted by the office.

Sec. 39. **[342.39] CANNABIS EVENT ORGANIZER LICENSING.**

Subdivision 1. **Authorized actions.** A cannabis event organizer license entitles the license holder to organize a temporary cannabis event lasting no more than four days.

Subd. 2. **Additional information required.** (a) In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis event organizer license must submit the following information in a form approved by the office:

- (1) the type and number of any other cannabis business license held by the applicant;
- (2) the address and location where the temporary cannabis event will take place;
- (3) the name of the temporary cannabis event;

(4) a diagram of the physical layout of the temporary cannabis event showing where the event will take place on the grounds, all entrances and exits that will be used by participants during the event, all cannabis consumption areas, all cannabis retail areas where cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products will be sold, the location where cannabis waste will be stored, and any location where cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products will be stored;

(5) a list of the name, number, and type of cannabis businesses and hemp businesses that will sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products at the event, which may be supplemented or amended within 72 hours of the time at which the cannabis event begins;

(6) the dates and hours during which the cannabis event will take place;

(7) proof of local approval for the cannabis event; and

(8) evidence that the business will comply with the applicable operation requirements for the license being sought.

(b) A person, cooperative, or business seeking a cannabis event organizer license may also disclose whether the person or any officer, director, manager, and general partner of a cannabis business is serving or has previously served in the military.

Subd. 3. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis event organizer license may not hold a cannabis testing facility license, a lower-potency hemp edible manufacturer license, or a lower-potency hemp edible retailer license.

(b) The office by rule may limit the number of cannabis event licenses that a person or business may hold.

(c) For purposes of this subdivision, restrictions on the number or type of license that a business may hold apply to every cooperative member or every director, manager, and general partner of a cannabis business.

Sec. 40. [342.40] CANNABIS EVENT ORGANIZER OPERATIONS.

Subdivision 1. **Local approval.** A cannabis event organizer must receive local approval, including obtaining any necessary permits or licenses issued by a local unit of government, before holding a cannabis event.

Subd. 2. **Charging fees.** (a) A cannabis event organizer may charge an entrance fee to a cannabis event.

(b) A cannabis event organizer may charge a fee to a cannabis business or hemp business in exchange for space to display and sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products. Any fee paid for participation in a cannabis event shall not be based on or tied to the sale of cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

Subd. 3. **Security.** A cannabis event organizer must hire or contract for licensed security personnel to provide security services at the cannabis event. All security personnel hired or contracted for shall be at least 21 years of age and present on the licensed event premises at all times that cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products are available for sale or consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products is allowed. The security personnel shall not consume cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products for at least 24 hours before the event or during the event.

Subd. 4. **Limited access to event.** A cannabis event organizer shall ensure that access to an event is limited to individuals who are at least 21 years of age. At or near each public entrance to any area where the sale or consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products is allowed, a cannabis event organizer shall maintain a clearly visible and legible sign consisting of the following statement: "No persons under 21 allowed." The lettering of the sign shall be not less than one inch in height.

Subd. 5. **Cannabis waste.** A cannabis event organizer shall ensure that all used, unused, and waste cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products that are not removed by a customer, cannabis business, or hemp business are disposed of in a manner approved by the office.

Subd. 6. **Transportation of cannabis plants, flower, and products.** All transportation of cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products intended for display or sale and all such items used for display or not sold during the cannabis event must be transported to and from the cannabis event by a licensed cannabis transporter.

Subd. 7. **Cannabis event sales.** (a) Cannabis microbusinesses with a retail endorsement, cannabis mezzobusinesses with a retail endorsement, cannabis retailers, and lower-potency hemp edible retailers, including the cannabis event organizer, may be authorized to sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to customers at a cannabis event.

(b) All sales of cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products at a cannabis event must take place in a retail area as designated in the premises diagram.

(c) Authorized retailers may only conduct sales within their specifically assigned area.

(d) Authorized retailers must verify the age of all customers pursuant to section 342.27, subdivision 4, before completing a sale and may not sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to an individual under 21 years of age.

(e) Authorized retailers may display one sample of each type of cannabis plant, adult-use cannabis flower, adult-use cannabis product, lower-potency hemp edible, and hemp-derived consumer product available for sale. Samples of adult-use cannabis and adult-use cannabis products must be stored in a sample jar or display case and be accompanied by a label or notice containing the information

required to be affixed to the packaging or container containing adult-use cannabis flower and adult-use cannabis products sold to customers. A sample may not consist of more than eight grams of adult-use cannabis flower or adult-use cannabis concentrate, or an edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol. A cannabis retailer may allow customers to smell the adult-use cannabis flower or adult-use cannabis product before purchase.

(f) The notice requirements under section 342.27, subdivision 6, apply to authorized retailers offering cannabis plants, adult-use cannabis flower, adult-use cannabinoid products, and hemp-derived consumer products for sale at a cannabis event.

(g) Authorized retailers may not:

(1) sell adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a person who is visibly intoxicated;

(2) knowingly sell more cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products than a customer is legally permitted to possess;

(3) sell medical cannabis flower or medical cannabinoid products;

(4) give away cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products; or

(5) allow for the dispensing of cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in vending machines.

(h) Except for samples of a cannabis plant, adult-use cannabis flower, adult-use cannabis product, lower-potency hemp edible, and hemp-derived consumer product, all cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale at a cannabis event must be stored in a secure, locked container that is not accessible to the public. Such items being stored at a cannabis event shall not be left unattended.

(i) All cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale at a cannabis event must comply with this chapter and rules adopted pursuant to this chapter regarding the testing, packaging, and labeling of those items.

(j) All cannabis plants, adult-use cannabis flower, and adult-use cannabis products sold, damaged, or destroyed at a cannabis event must be recorded in the statewide monitoring system.

Subd. 8. Cannabis event on-site consumption. (a) If approved by the local unit of government, a cannabis event may designate an area for consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or any combination of those items.

(b) Access to areas where consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products is allowed shall be restricted to individuals who are at least 21 years of age.

(c) The cannabis event organizer shall ensure that consumption of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products within a designated consumption area is not visible from any public place.

(d) The cannabis event organizer shall not permit consumption of alcohol or tobacco.

(e) The cannabis event organizer shall not permit smoking, according to section 144.413, of adult-use cannabis flower or cannabis products at any location where smoking is not permitted under sections 144.413 to 144.417. Nothing in this section prohibits a statutory or home rule charter city or county from enacting and enforcing more stringent measures to protect individuals from secondhand smoke or involuntary exposure to aerosol or vapor from electronic delivery devices.

Sec. 41. **[342.41] CANNABIS DELIVERY SERVICE LICENSING.**

Subdivision 1. **Authorized actions.** A cannabis delivery service license entitles the license holder to purchase cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from licensed cannabis microbusinesses with a retail endorsement, cannabis mezzobusinesses with a retail endorsement, cannabis retailers, medical cannabis retailers, and medical cannabis combination businesses; transport and deliver cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumable products to customers; and perform other actions approved by the office.

Subd. 2. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis delivery service license must submit the following information in a form approved by the office:

(1) a list of all vehicles to be used in the delivery of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products including:

(i) the vehicle make, model, and color;

(ii) the vehicle identification number; and

(iii) the license plate number;

(2) proof of insurance for each vehicle;

(3) a business plan demonstrating policies to avoid sales of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to individuals who are under 21 years of age and plans to prevent the visibility of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to individuals outside the delivery vehicle; and

(4) evidence that the business will comply with the applicable operation requirements for the license being sought.

Subd. 3. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis delivery service license may also hold a cannabis retailer license, a cannabis wholesaler license, a

cannabis transporter license, a cannabis event organizer license, and a medical cannabis retailer license subject to the ownership limitations that apply to those licenses.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a cannabis delivery service license may own or operate any other cannabis business or hemp business.

(c) The office by rule may limit the number of cannabis delivery service licenses that a person or business may hold.

(d) For purposes of this subdivision, a restriction on the number or type of license that a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Sec. 42. **[342.42] CANNABIS DELIVERY SERVICE OPERATIONS.**

Subdivision 1. **Age or registry verification.** Prior to completing a delivery, a cannabis delivery service shall verify that the customer is at least 21 years of age or is enrolled in the registry program. Section 342.27, subdivision 4, applies to the verification of a customer's age. Registry verification issued by the Division of Medical Cannabis may be considered evidence that the person is enrolled in the registry program.

Subd. 2. **Records.** The office by rule shall establish record-keeping requirements for a cannabis delivery service, including but not limited to proof of delivery to individuals who are at least 21 years of age or enrolled in the registry program.

Subd. 3. **Amount to be transported.** The office by rule shall establish limits on the amount of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products that a cannabis delivery service may transport.

Subd. 4. **Statewide monitoring system.** Receipt of cannabis flower and cannabis products by the cannabis delivery service and a delivery to a customer must be recorded in the statewide monitoring system within the time established by rule.

Subd. 5. **Storage compartment.** Cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products must be transported in a locked, safe, and secure storage compartment that is part of the cannabis delivery service vehicle or in a locked storage container that has a separate key or combination pad. Cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products may not be visible from outside the cannabis delivery service vehicle.

Subd. 6. **Identifying logos or business names prohibited.** No cannabis delivery service vehicle or trailer may contain an image depicting the types of items being transported, including but not limited to an image depicting a cannabis or hemp leaf, or a name suggesting that the cannabis delivery service vehicle is used for transporting cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products.

Subd. 7. **Nonemployee passengers prohibited.** Only a cannabis worker employed by or contracted with the cannabis delivery service and who is at least 21 years of age may transport cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer

products. All passengers in a cannabis delivery service vehicle must be cannabis workers employed by or contracted with the cannabis delivery service.

Subd. 8. **Vehicles subject to inspection.** Any cannabis delivery service vehicle is subject to inspection at any time.

Sec. 43. **[342.43] HEMP BUSINESS LICENSE TYPES; MULTIPLE LICENSES.**

Subdivision 1. **License types.** The office shall issue the following types of hemp business licenses:

(1) lower-potency hemp edible manufacturer; and

(2) lower-potency hemp edible retailer.

Subd. 2. **Multiple licenses; limits.** (a) A person, cooperative, or business may hold both a lower-potency hemp edible manufacturer and lower-potency hemp edible retailer license.

(b) Nothing in this section prohibits a person, cooperative, or business from holding a lower-potency hemp edible manufacturer license, a lower-potency hemp edible retailer license, or both, and also holding a license to cultivate industrial hemp issued pursuant to chapter 18K.

(c) Nothing in this section prohibits a person, cooperative, or business from holding a lower-potency hemp edible manufacturer license, a lower-potency hemp edible retailer license, or both, and also holding any other license, including but not limited to a license to prepare or sell food; sell tobacco, tobacco-related devices, electronic delivery devices as defined in section 609.685, subdivision 1, and nicotine and lobelia delivery products as described in section 609.6855; or manufacture or sell alcoholic beverages as defined in section 340A.101, subdivision 2.

(d) A person, cooperative, or business holding a lower-potency hemp edible manufacturer license, a lower-potency hemp edible retailer license, or both, may not hold a cannabis business license.

Sec. 44. **[342.44] HEMP BUSINESS LICENSES; APPLICATIONS AND ISSUANCE.**

Subdivision 1. **Application; contents.** (a) Except as otherwise provided in this subdivision, the provisions of this chapter relating to license applications, license selection criteria, general ownership disqualifications and requirements, and general operational requirements do not apply to hemp businesses.

(b) The office, by rule, shall establish forms and procedures for the processing of hemp licenses issued under this chapter. At a minimum, any application to obtain or renew a hemp license shall include the following information, if applicable:

(1) the name, address, and date of birth of the applicant;

(2) the address and legal property description of the business;

(3) proof of trade name registration;

(4) certification that the applicant will comply with the requirements of this chapter relating to the ownership and operation of a hemp business;

(5) identification of one or more controlling persons or managerial employees as agents who shall be responsible for dealing with the office on all matters; and

(6) a statement that the applicant agrees to respond to the office's supplemental requests for information.

(c) An applicant for a lower-potency hemp edible manufacturer license must submit an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement.

(d) An application on behalf of a corporation or association shall be signed by at least two officers or managing agents of that entity.

Subd. 2. **Issuance; eligibility; prohibition on transfer.** (a) The office may issue a hemp license to an applicant who:

(1) is at least 21 years of age;

(2) has completed an application for licensure or application for renewal and has fully and truthfully complied with all information requests relating to license application and renewal;

(3) has paid the applicable application and license fees pursuant to section 342.11;

(4) is not employed by the office or any state agency with regulatory authority over this chapter;
and

(5) does not hold any cannabis business license.

(b) Licenses must be renewed annually.

(c) Licenses may not be transferred.

Sec. 45. [342.45] LOWER-POTENCY HEMP EDIBLE MANUFACTURER.

Subdivision 1. **Authorized actions.** A lower-potency hemp edible manufacturer license entitles the license holder to:

(1) purchase hemp plant parts, hemp concentrate, and artificially derived cannabinoids from cannabis microbusinesses, cannabis mezzobusinesses, cannabis manufacturers, cannabis wholesalers, and lower-potency hemp edible manufacturers;

(2) purchase hemp plant parts and propagules from industrial hemp growers licensed under chapter 18K;

(3) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

(4) make hemp concentrate;

(5) manufacture artificially derived cannabinoids;

(6) manufacture lower-potency hemp edibles for public consumption;

(7) package and label lower-potency hemp edibles for sale to customers;

(8) sell hemp concentrate, artificially derived cannabinoids, and lower-potency hemp edibles to other cannabis businesses and hemp businesses; and

(9) perform other actions approved by the office.

Subd. 2. **All manufacturer operations.** (a) All hemp manufacturing must take place in a facility and on equipment that meets the applicable health and safety requirements established by the office, including requirements for cleaning and testing machinery between production of different products.

(b) A lower-potency hemp edible manufacturer must comply with all applicable packaging, labeling, and testing requirements.

Subd. 3. **Extraction and concentration.** (a) A lower-potency hemp edible manufacturer that creates hemp concentrate or artificially derived cannabinoids must obtain an endorsement from the office.

(b) A lower-potency hemp edible manufacturer seeking an endorsement to create hemp concentrate must inform the office of all methods of extraction and concentration that the manufacturer intends to use and identify the volatile chemicals, if any, that will be involved in the creation of hemp concentrate. A lower-potency hemp edible manufacturer may not use a method of extraction and concentration or a volatile chemical without approval by the office.

(c) A lower-potency hemp edible manufacturer seeking an endorsement to create artificially derived cannabinoids must inform the office of all methods of conversion that the manufacturer will use, including any specific catalysts that the manufacturer will employ, to create artificially derived cannabinoids and the molecular nomenclature of all cannabinoids or other chemical compounds that the manufacturer will create. A business licensed or authorized to manufacture lower-potency hemp edibles may not use a method of conversion or a catalyst without approval by the office.

(d) A lower-potency hemp edible manufacturer must obtain a certification from an independent third-party industrial hygienist or professional engineer approving:

(1) all electrical, gas, fire suppression, and exhaust systems; and

(2) the plan for safe storage and disposal of hazardous substances, including but not limited to any volatile chemicals.

(e) Upon the sale of hemp concentrate or artificially derived cannabinoids to any person, cooperative, or business, a lower-potency hemp edible manufacturer must provide a statement to the buyer that discloses the method of extraction and concentration or conversion used and any solvents, gases, or catalysts, including but not limited to any volatile chemicals involved in that method.

Subd. 4. **Production of consumer products.** (a) A lower-potency hemp edible manufacturer that produces lower-potency hemp edibles must obtain an edible cannabinoid product handler endorsement from the office.

(b) All areas within the premises of a lower-potency hemp edible manufacturer used for producing lower-potency hemp edibles must meet the sanitary standards specified in rules adopted by the office.

(c) A lower-potency hemp edible manufacturer may only add chemicals or compounds approved by the office to hemp concentrate or artificially derived cannabinoids.

(d) Upon the sale of any lower-potency hemp edible to a cannabis business or hemp business, a lower-potency hemp edible manufacturer must provide a statement to the buyer that discloses the product's ingredients, including but not limited to any chemicals or compounds and any major food allergens declared by name.

(e) A lower-potency hemp edible manufacturer shall not add any artificially derived cannabinoid, hemp plant part, or hemp concentrate to a product if the manufacturer of the product holds a trademark to the product's name, except that a lower-potency hemp edible manufacturer may use a trademarked food product if the manufacturer uses the product as a component or as part of a recipe and if the lower-potency hemp edible manufacturer does not state or advertise to the customer that the final retail lower-potency hemp edible contains a trademarked food product.

(f) A lower-potency hemp edible manufacturer shall not add any cannabis flower, cannabis concentrate, or cannabinoid derived from cannabis flower or cannabis concentrate to a product.

Subd. 5. **Transportation of hemp concentrate, artificially derived cannabinoids, and lower-potency hemp edibles.** (a) A lower-potency hemp edible manufacturer may transport hemp concentrate, artificially derived cannabinoids, and lower-potency hemp edibles on public roadways provided:

(1) the artificially derived cannabinoids, hemp concentrate, or lower-potency hemp edibles are in a locked, safe, and secure storage compartment that is part of the motor vehicle or in a locked storage container that has a separate key or combination pad;

(2) the artificially derived cannabinoids, hemp concentrate, or lower-potency hemp edibles are packaged in tamper-evident containers that are not visible or recognizable from outside the transporting vehicle;

(3) the lower-potency hemp edible manufacturer has a shipping manifest in the lower-potency hemp edible manufacturer's possession that describes the contents of all tamper-evident containers;

(4) all departures, arrivals, and stops are appropriately documented;

(5) no person other than a designated employee enters a vehicle at any time that the vehicle is transporting artificially derived cannabinoids, hemp concentrate, or lower-potency hemp edibles; and

(6) the lower-potency hemp edible manufacturer complies with any other rules adopted by the office.

(b) Any vehicle assigned for the purposes of transporting artificially derived cannabinoids, hemp concentrate, or lower-potency hemp edibles is subject to inspection at any time.

Sec. 46. **[342.46] LOWER-POTENCY HEMP EDIBLE RETAILER.**

Subdivision 1. **Sale of lower-potency hemp edibles.** (a) A lower-potency hemp edible retailer may only sell lower-potency hemp edibles to individuals who are at least 21 years of age.

(b) A lower-potency hemp edible retailer may sell lower-potency hemp edibles that:

(1) are obtained from a licensed Minnesota cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, cannabis wholesaler, or lower-potency hemp edible manufacturer; and

(2) meet all applicable packaging and labeling requirements.

Subd. 2. **Sale of other products.** A lower-potency hemp edible retailer may sell other products or items for which the lower-potency hemp edible retailer has a license or authorization or that do not require a license or authorization.

Subd. 3. **Age verification.** Prior to initiating a sale, an employee of the lower-potency hemp edible retailer must verify that the customer is at least 21 years of age. Section 342.27, subdivision 4, applies to the verification of a customer's age.

Subd. 4. **Display and storage of lower-potency hemp edibles.** A lower-potency hemp edible retailer shall ensure that all lower-potency hemp edibles, other than lower-potency hemp edibles that are intended to be consumed as a beverage, are displayed behind a checkout counter where the public is not permitted or in a locked case. All lower-potency hemp edibles that are not displayed must be stored in a secure area.

Subd. 5. **Transportation of lower-potency hemp edibles.** (a) A lower-potency hemp edible retailer may transport lower-potency hemp edibles on public roadways provided:

(1) the lower-potency hemp edibles are in final packaging;

(2) the lower-potency hemp edibles are packaged in tamper-evident containers that are not visible or recognizable from outside the transporting vehicle;

(3) the lower-potency hemp edible retailer has a shipping manifest in the lower-potency hemp edible retailer's possession that describes the contents of all tamper-evident containers;

(4) all departures, arrivals, and stops are appropriately documented;

(5) no person other than a designated employee enters a vehicle at any time that the vehicle is transporting lower-potency hemp edibles; and

(6) the lower-potency hemp edible retailer complies with any other rules adopted by the office.

(b) Any vehicle assigned for the purposes of transporting lower-potency hemp edibles is subject to inspection at any time.

Subd. 6. **Compliant products.** (a) A lower-potency hemp edible retailer shall ensure that all lower-potency hemp edibles offered for sale comply with the limits on the amount and types of cannabinoids that a lower-potency hemp edible can contain, including but not limited to the requirement that lower-potency hemp edibles:

(1) consist of servings that contain no more than five milligrams of delta-9 tetrahydrocannabinol, no more than 25 milligrams of cannabidiol, no more than 25 milligrams of cannabigerol, or any combination of those cannabinoids that does not exceed the identified amounts;

(2) do not contain more than a combined total of 0.5 milligrams of all other cannabinoids per serving; and

(3) do not contain an artificially derived cannabinoid other than delta-9 tetrahydrocannabinol.

(b) If a lower-potency hemp edible is packaged in a manner that includes more than a single serving, the lower-potency hemp edible must indicate each serving by scoring, wrapping, or other indicators that appear on the lower-potency hemp edible designating the individual serving size. If it is not possible to indicate a single serving by scoring or use of another indicator that appears on the product, the lower-potency hemp edible may not be packaged in a manner that includes more than a single serving in each container. If the lower-potency hemp edible is meant to be consumed as a beverage, the beverage container may not contain more than two servings per container.

(c) A single package containing multiple servings of a lower-potency hemp edible must contain no more than 50 milligrams of delta-9 tetrahydrocannabinol, 250 milligrams of cannabidiol, 250 milligrams of cannabigerol, or any combination of those cannabinoids that does not exceed the identified amounts.

Subd. 7. **Prohibitions.** A lower-potency hemp edible retailer may not:

(1) sell lower-potency hemp edibles to an individual who is under 21 years of age;

(2) sell a lower-potency hemp edible to a person who is visibly intoxicated;

(3) sell cannabis flower, cannabis products, or hemp-derived consumer products;

(4) allow for the dispensing of lower-potency hemp edibles in vending machines; or

(5) distribute or allow free samples of lower-potency hemp edibles except when the business is licensed to permit on-site consumption and samples are consumed within its licensed premises.

Subd. 8. **On-site consumption.** (a) A lower-potency hemp edible retailer may permit on-site consumption of lower-potency hemp edibles on a portion of its premises if it has an on-site consumption endorsement.

(b) The office shall issue an on-site consumption endorsement to any lower-potency hemp edible retailer that also holds an on-sale license issued under chapter 340A.

(c) A lower-potency hemp edible retailer must ensure that lower-potency hemp edibles sold for on-site consumption comply with this chapter and rules adopted pursuant to this chapter regarding testing.

(d) Lower-potency hemp edibles sold for on-site consumption, other than lower-potency hemp edibles that are intended to be consumed as a beverage, must be served in the required packaging, but may be removed from the products' packaging by customers and consumed on site.

(e) Lower-potency hemp edibles that are intended to be consumed as a beverage may be served outside of their packaging provided that the information that is required to be contained on the label of a lower-potency hemp edible is posted or otherwise displayed by the lower-potency hemp edible retailer. Hemp workers who serve beverages under this paragraph are not required to obtain an edible cannabinoid product handler endorsement under section 342.07, subdivision 3.

(f) Food and beverages not otherwise prohibited by this subdivision may be prepared and sold on site provided that the lower-potency hemp edible retailer complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(g) A lower-potency hemp edible retailer may offer recorded or live entertainment provided that the lower-potency hemp edible retailer complies with all relevant state and local laws, ordinances, licensing requirements, and zoning requirements.

(h) In addition to the prohibitions under subdivision 7, a lower-potency hemp edible retailer with an on-site consumption endorsement may not:

(1) sell lower-potency hemp edibles to a customer who the lower-potency hemp edible retailer knows or reasonably should know is intoxicated or has consumed alcohol within the previous five hours;

(2) sell lower-potency hemp edibles that are designed or reasonably expected to be mixed with an alcoholic beverage; or

(3) permit lower-potency hemp edibles that have been removed from the products' packaging to be removed from the premises of the lower-potency hemp edible retailer.

Subd. 9. **Posting of notices.** A lower-potency hemp edible retailer must post all notices as provided in section 342.27, subdivision 6.

Subd. 10. **Building conditions.** (a) A lower-potency hemp edible retailer shall maintain compliance with state and local building, fire, and zoning codes, requirements, or regulations.

(b) A lower-potency hemp edible retailer shall ensure that the licensed premises is maintained in a clean and sanitary condition, free from infestation by insects, rodents, or other pests.

Subd. 11. **Enforcement.** The office shall inspect lower-potency hemp edible retailers and take enforcement action as provided in sections 342.19 and 342.21.

Sec. 47. [342.47] **MEDICAL CANNABIS BUSINESS LICENSES.**

Subdivision 1. **License types.** (a) The office shall issue the following types of medical cannabis business licenses:

- (1) medical cannabis cultivator;
- (2) medical cannabis processor;
- (3) medical cannabis retailer; and
- (4) medical cannabis combination business license.

(b) The Division of Medical Cannabis may oversee the licensing and regulation of medical cannabis businesses.

Subd. 2. **Multiple licenses; limits.** (a) Except as provided in subdivision 3, a person, cooperative, or business holding:

(1) a medical cannabis cultivator license may also hold a medical cannabis processor license, a cannabis cultivator license, a cannabis manufacturer license, and a cannabis event organizer license subject to the ownership limitations that apply to those licenses;

(2) a medical cannabis processor license may also hold a medical cannabis cultivator license, a cannabis cultivator license, a cannabis manufacturer license, and a cannabis event organizer license subject to the ownership limitations that apply to those licenses; or

(3) a medical cannabis retailer license may also hold a cannabis mezzobusiness license, a cannabis retailer license, a cannabis delivery service license, and a cannabis event organizer license subject to the ownership limitations that apply to those licenses.

(b) Except as provided in paragraph (a), no person, cooperative, or business holding a medical cannabis license may own or operate any other cannabis business or hemp business.

(c) The office by rule may limit the number of medical cannabis business licenses that a person or business may hold.

(d) For purposes of this subdivision, a restriction on the number of licenses or type of license that a business may hold applies to every cooperative member or every director, manager, and general partner of a medical cannabis business.

Subd. 3. **Medical cannabis combination business license.** (a) A person, cooperative, or business holding a medical cannabis combination license is prohibited from owning or operating any other cannabis business or hemp business.

(b) A person or business may only hold one medical cannabis combination license.

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

Sec. 48. **[342.48] MEDICAL CANNABIS BUSINESS APPLICATIONS.**

In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a medical cannabis business license must submit the following information in a form approved by the office:

(1) for medical cannabis cultivator license applicants:

(i) an operating plan demonstrating the proposed size and layout of the cultivation facility; plans for wastewater and waste disposal for the cultivation facility; plans for providing electricity, water, and other utilities necessary for the normal operation of the cultivation facility; and plans for compliance with applicable building code and federal and state environmental and workplace safety requirements;

(ii) a cultivation plan demonstrating the proposed size and layout of the cultivation facility that will be used exclusively for cultivation for medical cannabis, including the total amount of plant canopy; and

(iii) evidence that the business will comply with the applicable operation requirements for the license being sought;

(2) for medical cannabis processor license applicants:

(i) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; plans for wastewater and waste disposal for the manufacturing facility; plans for providing electricity, water, and other utilities necessary for the normal operation of the manufacturing facility; and plans for compliance with applicable building code and federal and state environmental and workplace safety requirements;

(ii) all methods of extraction and concentration that the applicant intends to use and the volatile chemicals, if any, that are involved in extraction or concentration;

(iii) if the applicant is seeking an endorsement to manufacture products infused with cannabinoids for consumption by patients enrolled in the registry program, proof of an edible cannabinoid product handler endorsement from the office; and

(iv) evidence that the applicant will comply with the applicable operation requirements for the license being sought;

(3) for medical cannabis retailer license applicants:

(i) a list of every retail license held by the applicant and, if the applicant is a business, every retail license held, either as an individual or as part of another business, by each officer, director, manager, and general partner of the cannabis business;

(ii) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems, policies to avoid sales to individuals who are not authorized to receive the distribution of medical cannabis flower or medical cannabinoid products, identification of a restricted area for storage, and plans to prevent the visibility of cannabis flower and cannabinoid products; and

(iii) evidence that the applicant will comply with the applicable operation requirements for the license being sought; or

(4) for medical cannabis combination license applicants:

(i) the information required under clauses (1) to (3); and

(ii) any additional information required under sections 342.30, subdivision 3; 342.31, subdivision 3; and 342.32, subdivision 3.

Sec. 49. [342.49] MEDICAL CANNABIS CULTIVATORS.

(a) A medical cannabis cultivator license entitles the license holder to grow cannabis plants within the approved amount of space up to 60,000 square feet of plant canopy from seed or immature plant to mature plant, harvest cannabis flower from a mature plant, package and label cannabis flower as medical cannabis flower, sell medical cannabis flower to medical cannabis processors and medical cannabis retailers, transport medical cannabis flower to a medical cannabis processor located on the same premises, and perform other actions approved by the office.

(b) A medical cannabis cultivator license holder must comply with all requirements of section 342.25.

(c) A medical cannabis cultivator license holder must verify that every batch of medical cannabis flower has passed safety, potency, and consistency testing at a cannabis testing facility approved by the office for the testing of medical cannabis flower before the medical cannabis cultivator may package, label, or sell the medical cannabis flower to any other entity.

(d) A medical cannabis cultivator may exceed the limit of 60,000 square feet of plant canopy if it was legally cultivating medical cannabis with a greater plant canopy as of April 1, 2023.

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

Sec. 50. [342.50] MEDICAL CANNABIS PROCESSORS.

(a) A medical cannabis processor license, consistent with the specific license endorsement or endorsements, entitles the license holder to:

(1) purchase medical cannabis flower, medical cannabinoid products, hemp plant parts, and hemp concentrate from medical cannabis cultivators and other medical cannabis processors;

(2) purchase hemp plant parts from industrial hemp growers;

(3) make cannabis concentrate from medical cannabis flower;

(4) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

(5) manufacture medical cannabinoid products;

(6) package and label medical cannabinoid products for sale to other medical cannabis processors and to medical cannabis retailers; and

(7) perform other actions approved by the office.

(b) A medical cannabis processor license holder must comply with all requirements of section 342.26, including requirements to obtain specific license endorsements.

(c) A medical cannabis processor license holder must verify that every batch of medical cannabinoid product has passed safety, potency, and consistency testing at a cannabis testing facility approved by the office for the testing of medical cannabinoid products before the medical cannabis processor may package, label, or sell the medical cannabinoid product to any other entity.

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

Sec. 51. **[342.51] MEDICAL CANNABIS RETAILERS.**

Subdivision 1. **Authorized actions.** (a) A medical cannabis retailer license entitles the license holder to purchase medical cannabis flower and medical cannabinoid products from medical cannabis cultivators and medical cannabis processors and sell or distribute medical cannabis flower and medical cannabinoid products to any person authorized to receive medical cannabis flower or medical cannabinoid products.

(b) A medical cannabis retailer license holder must verify that all medical cannabis flower and medical cannabinoid products have passed safety, potency, and consistency testing at a cannabis testing facility approved by the office for the testing of medical cannabis flower and medical cannabinoid products before the medical cannabis retailer may distribute the medical cannabis flower or medical cannabinoid product to any person authorized to receive medical cannabis flower or medical cannabinoid products.

Subd. 2. **Distribution requirements.** (a) Prior to distribution of medical cannabis flower or medical cannabinoid products, a medical cannabis retailer licensee must:

(1) review and confirm the patient's registry verification;

(2) verify that the person requesting the distribution of medical cannabis flower or medical cannabinoid products is the patient, the patient's registered designated caregiver, or the patient's parent, legal guardian, or spouse using the procedures specified in section 152.11, subdivision 2d;

(3) ensure that a pharmacist employee of the medical cannabis retailer has consulted with the patient if required according to subdivision 3; and

(4) apply a patient-specific label on the medical cannabis flower or medical cannabinoid product that includes recommended dosage requirements and other information as required by rules adopted by the office.

(b) A medical cannabis retailer may not deliver medical cannabis flower or medical cannabinoid products unless the medical cannabis retailer also holds a cannabis delivery service license. Delivery of medical cannabis flower and medical cannabinoid products are subject to the provisions of section 342.42.

Subd. 3. Final approval for distribution of medical cannabis flower and medical cannabinoid products. (a) A cannabis worker who is employed by a medical cannabis retailer and who is licensed as a pharmacist pursuant to chapter 151 shall be the only person who may give final approval for the distribution of medical cannabis flower and medical cannabinoid products. Prior to the distribution of medical cannabis flower or medical cannabinoid products, a pharmacist employed by the medical cannabis retailer must consult with the patient to determine the proper type of medical cannabis flower, medical cannabinoid product, or medical cannabis paraphernalia and proper dosage for the patient after reviewing the range of chemical compositions of medical cannabis flower or medical cannabinoid product. For purposes of this subdivision, a consultation may be conducted remotely by secure videoconference, telephone, or other remote means, as long as:

(1) the pharmacist engaging in the consultation is able to confirm the identity of the patient; and

(2) the consultation adheres to patient privacy requirements that apply to health care services delivered through telemedicine.

(b) Notwithstanding paragraph (a), a pharmacist consultation is not required prior to the distribution of medical cannabis flower or medical cannabinoid products when a medical cannabis retailer is distributing medical cannabis flower or medical cannabinoid products to a patient according to a patient-specific dosage plan established with that medical cannabis retailer and is not modifying the dosage or product being distributed under that plan. Medical cannabis flower or medical cannabinoid products distributed under this paragraph must be distributed by a pharmacy technician employed by the medical cannabis retailer.

Subd. 4. 90-day supply. A medical cannabis retailer shall not distribute more than a 90-day supply of medical cannabis flower or medical cannabinoid products to a patient, registered designated caregiver, or parent, legal guardian, or spouse of a patient according to the dosages established for the individual patient.

Subd. 5. Distribution to recipient in a motor vehicle. A medical cannabis retailer may distribute medical cannabis flower and medical cannabinoid products to a patient, registered designated caregiver, or parent, legal guardian, or spouse of a patient who is at a dispensary location but remains in a motor vehicle, provided that:

(1) staff receive payment and distribute medical cannabis flower and medical cannabinoid products in a designated zone that is as close as feasible to the front door of the facility;

(2) the medical cannabis retailer ensures that the receipt of payment and distribution of medical cannabis flower and medical cannabinoid products are visually recorded by a closed-circuit television surveillance camera and provides any other necessary security safeguards;

(3) the medical cannabis retailer does not store medical cannabis flower or medical cannabinoid products outside a restricted access area and staff transport medical cannabis flower and medical cannabinoid products from a restricted access area to the designated zone for distribution only after confirming that the patient, designated caregiver, or parent, guardian, or spouse has arrived in the designated zone;

(4) the payment and distribution of medical cannabis flower and medical cannabinoid products take place only after a pharmacist consultation takes place, if required under subdivision 3;

(5) immediately following distribution of medical cannabis flower or medical cannabinoid products, staff enter the transaction in the statewide monitoring system; and

(6) immediately following distribution of medical cannabis flower and medical cannabinoid products, staff take the payment received into the facility.

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

Sec. 52. **[342.515] MEDICAL CANNABIS COMBINATION BUSINESSES.**

Subdivision 1. **Authorized actions.** A medical cannabis combination business license entitles the license holder to perform any or all of the following within the limits established by this section:

(1) grow cannabis plants from seed or immature plant to mature plant and harvest adult-use cannabis flower and medical cannabis flower from a mature plant;

(2) make cannabis concentrate;

(3) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

(4) manufacture artificially derived cannabinoids;

(5) manufacture medical cannabinoid products;

(6) manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

(7) purchase immature cannabis plants and seedlings and cannabis flower from a cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, a cannabis wholesaler, a medical cannabis cultivator, or another medical cannabis combination business;

(8) purchase hemp plant parts and propagules from an industrial hemp grower licensed under chapter 18K;

(9) purchase cannabis concentrate, hemp concentrate, and artificially derived cannabinoids from a cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, a cannabis wholesaler, a medical cannabis processor, or another medical cannabis combination business;

(10) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

(11) package and label medical cannabis and medical cannabinoid products for sale to medical cannabis processors, medical cannabis retailers, other medical cannabis combination businesses, and patients enrolled in the registry program, registered designated caregivers, and parents, legal guardians, and spouses of an enrolled patient;

(12) package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;

(13) sell medical cannabis flower and medical cannabinoid products to patients enrolled in the registry program, registered designated caregivers, and parents, legal guardians, and spouses of an enrolled patient;

(14) sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to other cannabis businesses and to customers; and

(15) perform other actions approved by the office.

Subd. 2. **Cultivation; size limitations.** (a) A medical cannabis combination business may cultivate cannabis to be sold as medical cannabis flower or used in medical cannabinoid products in an area of up to 60,000 square feet of plant canopy.

(b) A medical cannabis combination business may cultivate cannabis to be sold as adult-use cannabis flower or used in adult-use cannabis products in an area authorized by the office as described in paragraph (c).

(c) The office shall authorize a medical cannabis combination business to cultivate cannabis for sale in the adult-use market in an area of plant canopy that is equal to one-half of the area the business used to cultivate cannabis sold in the medical market in the preceding year. The office shall establish an annual verification and authorization procedure. The office may increase the area of plant canopy in which a medical cannabis combination business is authorized to cultivate cannabis for sale in the adult-use market between authorization periods if the business demonstrates a significant increase in the sale of medical cannabis and medical cannabis products.

Subd. 3. **Manufacturing; size limitations.** The office may establish limits on cannabis manufacturing that are consistent with the area of plant canopy a business is authorized to cultivate.

Subd. 4. **Retail locations.** A medical cannabis combination business may operate up to one retail location in each congressional district. A medical cannabis combination business must offer medical cannabis flower, medical cannabinoid products, or both at every retail location.

Subd. 5. **Failure to participate; suspension or revocation of license.** The office may suspend or revoke a medical cannabis combination business license if the office determines that the business is no longer actively participating in the medical cannabis market. The office may, by rule, establish minimum requirements related to cannabis cultivation, manufacturing of medical cannabinoid products, retail sales of medical cannabis flower and medical cannabinoid products, and other relevant criteria to demonstrate active participation in the medical cannabis market.

Subd. 6. **Operations.** A medical cannabis combination business must comply with the relevant requirements of sections 342.25, 342.26, 342.27, and 342.51, subdivisions 2 to 5.

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

Sec. 53. **[342.52] PATIENT REGISTRY PROGRAM.**

Subdivision 1. **Administration.** The Division of Medical Cannabis must administer the medical cannabis registry program.

Subd. 2. **Application procedure for patients.** (a) A patient seeking to enroll in the registry program must submit to the Division of Medical Cannabis an application established by the Division of Medical Cannabis and a copy of the certification specified in paragraph (b) or, if the patient is a veteran who receives care from the United States Department of Veterans Affairs, the information required pursuant to subdivision 3. The patient must provide at least the following information in the application:

(1) the patient's name, mailing address, and date of birth;

(2) the name, mailing address, and telephone number of the patient's health care practitioner;

(3) the name, mailing address, and date of birth of the patient's registered designated caregiver, if any, or the patient's parent, legal guardian, or spouse if the parent, legal guardian, or spouse will be acting as the patient's caregiver;

(4) a disclosure signed by the patient that includes:

(i) a statement that, notwithstanding any law to the contrary, the Office of Cannabis Management, the Division of Medical Cannabis, or an employee of the Office of Cannabis Management or Division of Medical Cannabis may not be held civilly or criminally liable for any injury, loss of property, personal injury, or death caused by an act or omission while acting within the employee's scope of office or employment under this section; and

(ii) the patient's acknowledgment that enrollment in the registry program is conditional on the patient's agreement to meet all other requirements of this section; and

(5) all other information required by the Division of Medical Cannabis.

(b) As part of the application under this subdivision, a patient must submit a copy of a certification from the patient's health care practitioner that is dated within 90 days prior to the submission of the application and that certifies that the patient has been diagnosed with a qualifying medical condition.

(c) A patient's health care practitioner may submit a statement to the Division of Medical Cannabis declaring that the patient is no longer diagnosed with a qualifying medical condition. Within 30 days after receipt of a statement from a patient's health care practitioner, the Division of Medical Cannabis must provide written notice to a patient stating that the patient's enrollment in the registry program will be revoked in 30 days unless the patient submits a certification from a health care practitioner that the patient is currently diagnosed with a qualifying medical condition or, if the patient is a veteran, the patient submits confirmation that the patient is currently diagnosed with a qualifying medical condition in a form and manner consistent with the information required for an application made pursuant to subdivision 3. If the Division of Medical Cannabis revokes a patient's enrollment in the registry program pursuant to this paragraph, the division must provide notice to the patient and to the patient's health care practitioner.

Subd. 3. **Application procedure for veterans.** (a) The Division of Medical Cannabis shall establish an alternative certification procedure for veterans who receive care from the United States Department of Veterans Affairs to confirm that the veteran has been diagnosed with a qualifying medical condition.

(b) A patient who is also a veteran and is seeking to enroll in the registry program must submit to the Division of Medical Cannabis an application established by the Division of Medical Cannabis that includes the information identified in subdivision 2, paragraph (a), and the additional information required by the Division of Medical Cannabis to certify that the patient has been diagnosed with a qualifying medical condition.

Subd. 4. **Enrollment; denial of enrollment; revocation.** (a) Within 30 days after the receipt of an application and certification or other documentation of a diagnosis with a qualifying medical condition, the Division of Medical Cannabis must approve or deny a patient's enrollment in the registry program. If the Division of Medical Cannabis approves a patient's enrollment in the registry program, the office must provide notice to the patient and to the patient's health care practitioner.

(b) A patient's enrollment in the registry program must only be denied if the patient:

(1) does not submit a certification from a health care practitioner or, if the patient is a veteran, the documentation required under subdivision 3 that the patient has been diagnosed with a qualifying medical condition;

(2) has not signed the disclosure required in subdivision 2;

(3) does not provide the information required by the Division of Medical Cannabis;

(4) provided false information on the application; or

(5) at the time of application, is also enrolled in a federally approved clinical trial for the treatment of a qualifying medical condition with medical cannabis.

(c) If the Division of Medical Cannabis denies a patient's enrollment in the registry program, the Division of Medical Cannabis must provide written notice to a patient of all reasons for denying enrollment. Denial of enrollment in the registry program is considered a final decision of the office and is subject to judicial review under chapter 14.

(d) A patient's enrollment in the registry program may be revoked only:

(1) pursuant to subdivision 2, paragraph (c);

(2) upon the death of the patient;

(3) if the patient's certifying health care practitioner has filed a declaration under subdivision 2, paragraph (c), that the patient's qualifying diagnosis no longer exists and the patient does not submit another certification within 30 days;

(4) if the patient does not comply with subdivision 6; or

(5) if the patient intentionally sells or diverts medical cannabis flower or medical cannabinoid products in violation of this chapter.

If a patient's enrollment in the registry program has been revoked due to a violation of subdivision 6, the patient may apply for enrollment 12 months after the date on which the patient's enrollment was revoked. The office must process such an application in accordance with this subdivision.

Subd. 5. **Registry verification.** When a patient is enrolled in the registry program, the Division of Medical Cannabis must assign the patient a patient registry number and must issue the patient and the patient's registered designated caregiver, parent, legal guardian, or spouse, if applicable, a registry verification. The Division of Medical Cannabis must also make the registry verification available to medical cannabis retailers. The registry verification must include:

(1) the patient's name and date of birth;

(2) the patient registry number assigned to the patient; and

(3) the name and date of birth of the patient's registered designated caregiver, if any, or the name of the patient's parent, legal guardian, or spouse if the parent, legal guardian, or spouse will act as a caregiver.

Subd. 6. **Conditions of continued enrollment.** As conditions of continued enrollment, a patient must:

(1) continue to receive regularly scheduled treatment for the patient's qualifying medical condition from the patient's health care practitioner; and

(2) report changes in the patient's qualifying medical condition to the patient's health care practitioner.

Subd. 7. **Enrollment period.** Enrollment in the registry program is valid for three years. To re-enroll, a patient must submit the information required in subdivision 2 and a patient who is also a veteran must submit the information required in subdivision 3.

Subd. 8. **Allowable delivery methods.** A patient in the registry program may receive medical cannabis flower and medical cannabinoid products. The office may approve additional delivery methods to expand the types of products that qualify as medical cannabinoid products.

Subd. 9. **Registered designated caregiver.** (a) The Division of Medical Cannabis must register a designated caregiver for a patient if the patient requires assistance in administering medical cannabis flower or medical cannabinoid products or in obtaining medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia from a medical cannabis retailer.

(b) In order to serve as a designated caregiver, a person must:

(1) be at least 18 years of age;

(2) agree to only possess the patient's medical cannabis flower and medical cannabinoid products for purposes of assisting the patient; and

(3) agree that if the application is approved, the person will not serve as a registered designated caregiver for more than six registered patients at one time. Patients who reside in the same residence count as one patient.

(c) The office shall conduct a criminal background check on the designated caregiver prior to registration to ensure that the person does not have a conviction for a disqualifying felony offense. Any cost of the background check shall be paid by the person seeking registration as a designated

caregiver. A designated caregiver must have the criminal background check renewed every two years.

(d) Nothing in this section shall be construed to prevent a registered designated caregiver from being enrolled in the registry program as a patient and possessing and administering medical cannabis flower or medical cannabinoid products as a patient.

Subd. 10. **Parents, legal guardians, spouses.** A parent, legal guardian, or spouse of a patient may act as the caregiver for a patient. The parent, legal guardian, or spouse who is acting as a caregiver must follow all requirements for parents, legal guardians, and spouses under this chapter. Nothing in this section limits any legal authority that a parent, legal guardian, or spouse may have for the patient under any other law.

Subd. 11. **Notice of change of name or address.** Patients and registered designated caregivers must notify the Division of Medical Cannabis of any address or name change within 30 days of the change having occurred. A patient or registered designated caregiver is subject to a \$100 fine for failure to notify the office of the change.

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

Sec. 54. **[342.53] DUTIES OF OFFICE OF CANNABIS MANAGEMENT; REGISTRY PROGRAM.**

The office may add an allowable form of medical cannabinoid product, and may add or modify a qualifying medical condition upon its own initiative, upon a petition from a member of the public or from the Cannabis Advisory Council or as directed by law. The office must evaluate all petitions and must make the addition or modification if the office determines that the addition or modification is warranted by the best available evidence and research. If the office wishes to add an allowable form or add or modify a qualifying medical condition, the office must notify the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health finance and policy by January 15 of the year in which the change becomes effective. In this notification, the office must specify the proposed addition or modification, the reasons for the addition or modification, any written comments received by the office from the public about the addition or modification, and any guidance received from the Cannabis Advisory Council. An addition or modification by the office under this subdivision becomes effective on August 1 of that year unless the legislature by law provides otherwise.

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

Sec. 55. **[342.54] DUTIES OF DIVISION OF MEDICAL CANNABIS; REGISTRY PROGRAM.**

Subdivision 1. **Duties related to health care practitioners.** The Division of Medical Cannabis must:

(1) provide notice of the registry program to health care practitioners in the state;

(2) allow health care practitioners to participate in the registry program if they request to participate and meet the program's requirements;

(3) provide explanatory information and assistance to health care practitioners to understand the nature of the therapeutic use of medical cannabis flower and medical cannabinoid products within program requirements;

(4) make available to participating health care practitioners a certification form in which a health care practitioner certifies that a patient has a qualifying medical condition; and

(5) supervise the participation of health care practitioners in the registry reporting system in which health care practitioners report patient treatment and health records information to the office in a manner that ensures stringent security and record keeping requirements and that prevents the unauthorized release of private data on individuals as defined in section 13.02.

Subd. 2. **Duties related to the registry program.** The Division of Medical Cannabis must:

(1) administer the registry program according to section 342.52;

(2) provide information to patients enrolled in the registry program on the existence of federally approved clinical trials for the treatment of the patient's qualifying medical condition with medical cannabis flower or medical cannabinoid products as an alternative to enrollment in the registry program;

(3) maintain safety criteria with which patients must comply as a condition of participation in the registry program to prevent patients from undertaking any task under the influence of medical cannabis flower or medical cannabinoid products that would constitute negligence or professional malpractice;

(4) review and publicly report on existing medical and scientific literature regarding the range of recommended dosages for each qualifying medical condition, the range of chemical compositions of medical cannabis flower and medical cannabinoid products that will likely be medically beneficial for each qualifying medical condition, and any risks of noncannabis drug interactions. This information must be updated by December 1 of each year. The office may consult with an independent laboratory under contract with the office or other experts in reporting and updating this information; and

(5) annually consult with cannabis businesses about medical cannabis that the businesses cultivate, manufacture, and offer for sale and post on the Division of Medical Cannabis website a list of the medical cannabis flower and medical cannabinoid products offered for sale by each medical cannabis retailer.

Subd. 3. **Research.** (a) The Division of Medical Cannabis must conduct or contract with a third party to conduct research and studies using data from health records submitted to the registry program under section 342.55, subdivision 2, and data submitted to the registry program under section 342.52, subdivisions 2 and 3. If the division contracts with a third party for research and studies, the third party must provide the division with access to all research and study results. The division must submit reports on intermediate or final research results to the legislature and major scientific journals. All data used by the division or a third party under this subdivision must be used or reported in an aggregated nonidentifiable form as part of a scientific peer-reviewed publication of research or in the creation of summary data, as defined in section 13.02, subdivision 19.

(b) The Division of Medical Cannabis may submit medical research based on the data collected under sections 342.55, subdivision 2, and data collected through the statewide monitoring system to any federal agency with regulatory or enforcement authority over medical cannabis flower and medical cannabinoid products to demonstrate the effectiveness of medical cannabis flower or medical cannabinoid products for treating or alleviating the symptoms of a qualifying medical condition.

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

Sec. 56. **[342.55] DUTIES OF HEALTH CARE PRACTITIONERS; REGISTRY PROGRAM.**

Subdivision 1. **Health care practitioner duties before patient enrollment.** Before a patient's enrollment in the registry program, a health care practitioner must:

(1) determine, in the health care practitioner's medical judgment, whether a patient has a qualifying medical condition and, if so determined, provide the patient with a certification of that diagnosis;

(2) advise patients, registered designated caregivers, and parents, legal guardians, and spouses acting as caregivers of any nonprofit patient support groups or organizations;

(3) provide to patients explanatory information from the Division of Medical Cannabis, including information about the experimental nature of the therapeutic use of medical cannabis flower and medical cannabinoid products; the possible risks, benefits, and side effects of the proposed treatment; and the application and other materials from the office;

(4) provide to patients a Tennessee warning as required under section 13.04, subdivision 2; and

(5) agree to continue treatment of the patient's qualifying medical condition and to report findings to the Division of Medical Cannabis.

Subd. 2. **Duties upon patient's enrollment in registry program.** Upon receiving notification from the Division of Medical Cannabis of the patient's enrollment in the registry program, a health care practitioner must:

(1) participate in the patient registry reporting system under the guidance and supervision of the Division of Medical Cannabis;

(2) report to the Division of Medical Cannabis patient health records throughout the patient's ongoing treatment in a manner determined by the office and in accordance with subdivision 4;

(3) determine on a yearly basis if the patient continues to have a qualifying medical condition and, if so, issue the patient a new certification of that diagnosis. The patient assessment conducted under this clause may be conducted via telehealth, as defined in section 62A.673, subdivision 2; and

(4) otherwise comply with requirements established by the Office of Cannabis Management and the Division of Medical Cannabis.

Subd. 3. **Participation not required.** Nothing in this section requires a health care practitioner to participate in the registry program.

Subd. 4. **Data.** Data on patients collected by a health care practitioner and reported to the registry program, including data on patients who are veterans who receive care from the United States Department of Veterans Affairs, are health records under section 144.291 and are private data on individuals under section 13.02 but may be used or reported in an aggregated nonidentifiable form as part of a scientific peer-reviewed publication of research conducted under section 342.54 or in the creation of summary data, as defined in section 13.02, subdivision 19.

Subd. 5. **Exception.** The requirements of this section do not apply to a patient who is a veteran who receives care from the United States Department of Veterans Affairs or a health care practitioner employed by the United States Department of Veterans Affairs. Such a patient must meet the certification requirements developed pursuant to section 342.52, subdivision 3, before the patient's enrollment in the registry program.

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

Sec. 57. **[342.56] LIMITATIONS.**

Subdivision 1. **Limitations on consumption; locations of consumption.** (a) Nothing in sections 342.47 to 342.60 permits any person to engage in, and does not prevent the imposition of any civil, criminal, or other penalties for:

(1) undertaking a task under the influence of medical cannabis flower or medical cannabinoid products that would constitute negligence or professional malpractice;

(2) possessing or consuming medical cannabis flower or medical cannabinoid products:

(i) on a school bus or van;

(ii) in a correctional facility;

(iii) in a state-operated treatment program, including the Minnesota sex offender program; or

(iv) on the grounds of a child care facility or family or group family day care program;

(3) vaporizing or smoking medical cannabis:

(i) on any form of public transportation;

(ii) where the vapor would be inhaled by a nonpatient minor or where the smoke would be inhaled by a minor; or

(iii) in any public place, including any indoor or outdoor area used by or open to the general public or a place of employment, as defined in section 144.413, subdivision 1b; and

(4) operating, navigating, or being in actual physical control of a motor vehicle, aircraft, train, or motorboat or working on transportation property, equipment, or facilities while under the influence of medical cannabis flower or a medical cannabinoid product.

(b) Except for the use of medical cannabis flower or medical cannabinoid products, the vaporizing or smoking of cannabis flower, cannabis products, artificially derived cannabinoids, or hemp-derived consumer products is prohibited in a multifamily housing building, including balconies and patios appurtenant thereto. A violation of this paragraph is punishable through a civil administrative fine in an amount of \$250.

Subd. 2. **Health care facilities.** (a) Health care facilities licensed under chapter 144A; hospice providers licensed under chapter 144A; boarding care homes or supervised living facilities licensed under section 144.50; assisted living facilities under chapter 144G; facilities owned, controlled, managed, or under common control with hospitals licensed under chapter 144; and other health care facilities licensed by the commissioner of health or the commissioner of human services may adopt reasonable restrictions on the use of medical cannabis flower or medical cannabinoid products by a patient enrolled in the registry program who resides at or is actively receiving treatment or care at the facility. The restrictions may include a provision that the facility must not store or maintain a patient's supply of medical cannabis flower or medical cannabinoid products on behalf of the patient; that a patient store the patient's supply of medical cannabis flower or medicinal cannabinoid products in a locked container accessible only to the patient, the patient's designated caregiver, or the patient's parent, legal guardian, or spouse; that the facility is not responsible for providing medical cannabis for patients; and that medical cannabis flower or medical cannabinoid products are used only in a location specified by the facility or provider. Nothing in this subdivision requires facilities and providers listed in this subdivision to adopt such restrictions.

(b) No facility or provider listed in this subdivision may unreasonably limit a patient's access to or use of medical cannabis flower or medical cannabinoid products to the extent that such use is authorized under sections 342.47 to 342.59. No facility or provider listed in this subdivision may prohibit a patient access to or use of medical cannabis flower or medical cannabinoid products due solely to the fact that cannabis is a Schedule I drug pursuant to the federal Uniform Controlled Substances Act. If a federal regulatory agency, the United States Department of Justice, or the federal Centers for Medicare and Medicaid Services takes one of the following actions, a facility or provider may suspend compliance with this paragraph until the regulatory agency, the United States Department of Justice, or the federal Centers for Medicare and Medicaid Services notifies the facility or provider that it may resume permitting the use of medical cannabis flower or medical cannabinoid products within the facility or in the provider's service setting:

(1) a federal regulatory agency or the United States Department of Justice initiates enforcement action against a facility or provider related to the facility's compliance with the medical cannabis program; or

(2) a federal regulatory agency, the United States Department of Justice, or the federal Centers for Medicare and Medicaid Services issues a rule or otherwise provides notification to the facility or provider that expressly prohibits the use of medical cannabis in health care facilities or otherwise prohibits compliance with the medical cannabis program.

(c) An employee or agent of a facility or provider listed in this subdivision or a person licensed under chapter 144E is not violating this chapter or chapter 152 for the possession of medical cannabis flower or medical cannabinoid products while carrying out employment duties, including providing or supervising care to a patient enrolled in the registry program, or distribution of medical cannabis flower or medical cannabinoid products to a patient enrolled in the registry program who resides at

or is actively receiving treatment or care at the facility or from the provider with which the employee or agent is affiliated.

Subd. 3. **Child care facilities.** A proprietor of a family or group family day care program must disclose to parents or guardians of children cared for on the premises of the family or group family day care program, if the proprietor permits the smoking or use of medical cannabis on the premises, outside of its hours of operation. Disclosure must include posting on the premises a conspicuous written notice and orally informing parents or guardians.

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

Sec. 58. **[342.57] PROTECTIONS FOR REGISTRY PROGRAM PARTICIPANTS.**

Subdivision 1. **Presumption.** There is a presumption that a patient enrolled in the registry program is engaged in the authorized use of medical cannabis flower and medical cannabinoid products. This presumption may be rebutted by evidence that the patient's use of medical cannabis flower or medical cannabinoid products was not for the purpose of treating or alleviating the patient's qualifying medical condition or symptoms associated with the patient's qualifying medical condition.

Subd. 2. **Criminal and civil protections.** (a) Subject to section 342.56, the following are not violations of this chapter or chapter 152:

(1) use or possession of medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia by a patient enrolled in the registry program or by a visiting patient to whom medical cannabis flower or medical cannabinoid products are distributed under section 342.51, subdivision 5;

(2) possession of medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia by a registered designated caregiver or a parent, legal guardian, or spouse of a patient enrolled in the registry program; or

(3) possession of medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia by any person while carrying out duties required under sections 342.47 to 342.60.

(b) The Office of Cannabis Management, members of the Cannabis Advisory Council, Office of Cannabis Management employees, agents or contractors of the Office of Cannabis Management, and health care practitioners participating in the registry program are not subject to any civil penalties or disciplinary action by the Board of Medical Practice, the Board of Nursing, or any business, occupational, or professional licensing board or entity solely for participating in the registry program either in a professional capacity or as a patient. A pharmacist licensed under chapter 151 is not subject to any civil penalties or disciplinary action by the Board of Pharmacy when acting in accordance with sections 342.47 to 342.60 either in a professional capacity or as a patient. Nothing in this section prohibits a professional licensing board from taking action in response to a violation of law.

(c) Notwithstanding any law to the contrary, a Cannabis Advisory Council member, the governor, or an employee of a state agency must not be held civilly or criminally liable for any injury, loss of property, personal injury, or death caused by any act or omission while acting within the scope of office or employment under sections 342.47 to 342.60.

(d) Federal, state, and local law enforcement authorities are prohibited from accessing the registry except when acting pursuant to a valid search warrant. Notwithstanding section 13.09, a violation of this paragraph is a gross misdemeanor.

(e) Notwithstanding any law to the contrary, the office and employees of the office must not release data or information about an individual contained in any report or document or in the registry and must not release data or information obtained about a patient enrolled in the registry program, except as provided in sections 342.47 to 342.60. Notwithstanding section 13.09, a violation of this paragraph is a gross misdemeanor.

(f) No information contained in a report or document, contained in the registry, or obtained from a patient under sections 342.47 to 342.60 may be admitted as evidence in a criminal proceeding, unless:

(1) the information is independently obtained; or

(2) admission of the information is sought in a criminal proceeding involving a criminal violation of sections 342.47 to 342.60.

(g) Possession of a registry verification or an application for enrollment in the registry program:

(1) does not constitute probable cause or reasonable suspicion;

(2) must not be used to support a search of the person or property of the person with a registry verification or application to enroll in the registry program; and

(3) must not subject the person or the property of the person to inspection by any government agency.

Subd. 3. School enrollment; rental property. (a) No school may refuse to enroll a patient as a pupil or otherwise penalize a patient solely because the patient is enrolled in the registry program, unless failing to do so would violate federal law or regulations or cause the school to lose a monetary or licensing-related benefit under federal law or regulations.

(b) No landlord may refuse to lease to a patient or otherwise penalize a patient solely because the patient is enrolled in the registry program, unless failing to do so would violate federal law or regulations or cause the landlord to lose a monetary or licensing-related benefit under federal law or regulations.

Subd. 4. Medical care. For purposes of medical care, including organ transplants, a patient's use of medical cannabis flower or medical cannabinoid products according to sections 342.47 to 342.60 is considered the equivalent of the authorized use of a medication used at the discretion of a health care practitioner and does not disqualify a patient from needed medical care.

Subd. 5. Employment. (a) Unless a failure to do so would violate federal or state law or regulations or cause an employer to lose a monetary or licensing-related benefit under federal law or regulations, an employer may not discriminate against a person in hiring, termination, or any term or condition of employment, or otherwise penalize a person, if the discrimination is based on:

(1) the person's status as a patient enrolled in the registry program; or

(2) a patient's positive drug test for cannabis components or metabolites, unless the patient used, possessed, sold, transported, or was impaired by medical cannabis flower or a medical cannabinoid product on work premises, during working hours, or while operating an employer's machinery, vehicle, or equipment.

(b) An employee who is a patient and whose employer requires the employee to undergo drug testing according to section 181.953 may present the employee's registry verification as part of the employee's explanation under section 181.953, subdivision 6.

Subd. 6. **Custody; visitation; parenting time.** A person must not be denied custody of a minor child or visitation rights or parenting time with a minor child based solely on the person's status as a patient enrolled in the registry program. There must be no presumption of neglect or child endangerment for conduct allowed under sections 342.47 to 342.60, unless the person's behavior creates an unreasonable danger to the safety of the minor as established by clear and convincing evidence.

Subd. 7. **Action for damages.** In addition to any other remedy provided by law, a patient may bring an action for damages against any person who violates subdivision 3, 4, or 5. A person who violates subdivision 3, 4, or 5 is liable to a patient injured by the violation for the greater of the person's actual damages or a civil penalty of \$100 and reasonable attorney fees.

Subd. 8. **Sanctions restricted for those on parole, supervised release, or conditional release.** (a) This subdivision applies to an individual placed on parole, supervised release, or conditional release.

(b) The commissioner of corrections may not:

(1) prohibit an individual from participating in the registry program as a condition of release;
or

(2) revoke an individual's parole, supervised release, or conditional release or otherwise sanction an individual solely:

(i) for participating in the registry program; or

(ii) for a positive drug test for cannabis components or metabolites.

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

Sec. 59. **[342.58] VIOLATION BY HEALTH CARE PRACTITIONER; CRIMINAL PENALTY.**

A health care practitioner who knowingly refers patients to a medical cannabis business or to a designated caregiver, who advertises as a retailer or producer of medical cannabis flower or medical cannabinoid products, or who issues certifications while holding a financial interest in a cannabis retailer or medical cannabis business is guilty of a misdemeanor and may be sentenced to imprisonment for not more than 90 days or to payment of not more than \$1,000, or both.

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

Sec. 60. **[342.59] DATA PRACTICES.**

Subdivision 1. **Data classification.** Patient health records maintained by the Office of Cannabis Management or the Division of Medical Cannabis and government data in patient health records maintained by a health care practitioner are classified as private data on individuals, as defined in section 13.02, subdivision 12, or nonpublic data, as defined in section 13.02, subdivision 9.

Subd. 2. **Allowable use; prohibited use.** Data specified in subdivision 1 may be used to comply with chapter 13, to comply with a request from the legislative auditor or the state auditor in the performance of official duties, and for purposes specified in sections 342.47 to 342.60. Data specified in subdivision 1 and maintained by the Office of Cannabis Management or Division of Medical Cannabis must not be used for any purpose not specified in sections 342.47 to 342.60 and must not be combined or linked in any manner with any other list, dataset, or database. Data specified in subdivision 1 must not be shared with any federal agency, federal department, or federal entity unless specifically ordered to do so by a state or federal court.

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

Sec. 61. **[342.60] APPLIED RESEARCH.**

The Division of Medical Cannabis may conduct, or award grants to health care providers or research organizations to conduct, applied research on the safety and efficacy of using medical cannabis flower or medical cannabinoid products to treat a specific health condition. A health care provider or research organization receiving a grant under this section must provide the office with access to all data collected in applied research funded under this section. The office may use data from applied research conducted or funded under this section as evidence to approve additional qualifying medical conditions or additional allowable forms of medical cannabis.

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

Sec. 62. **[342.61] TESTING.**

Subdivision 1. **Testing required.** Cannabis businesses and hemp businesses shall not sell or offer for sale cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products to another cannabis business or hemp business, or to a customer or patient, or otherwise transfer cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products to another cannabis business or hemp business, unless:

(1) a representative sample of the batch of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products has been tested according to this section and rules adopted under this chapter;

(2) the testing was completed by a cannabis testing facility licensed under this chapter; and

(3) the tested sample of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products was found to meet testing standards established by the office.

Subd. 2. **Procedures and standards established by office.** (a) The office shall by rule establish procedures governing the sampling, handling, testing, storage, and transportation of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products tested under this section; the contaminants for which cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products must be tested; standards for potency and homogeneity testing; and procedures applicable to cannabis businesses, hemp businesses, and cannabis testing facilities regarding cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products that fail to meet the standards for allowable levels of contaminants established by the office, that fail to meet the potency limits in this chapter, or that do not conform with the content of the cannabinoid profile listed on the label.

(b) All testing required under this section must be performed in a manner that is consistent with general requirements for testing and calibration activities.

Subd. 3. **Standards established by Office of Cannabis Management.** The office shall by rule establish standards for allowable levels of contaminants in cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products, and growing media. Contaminants for which the office must establish allowable levels must include but are not limited to residual solvents, foreign material, microbiological contaminants, heavy metals, pesticide residue, and mycotoxins.

Subd. 4. **Testing of samples; disclosures.** (a) On a schedule determined by the office, every cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, medical cannabis cultivator, medical cannabis processor, or medical cannabis combination business shall make each batch of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products grown, manufactured, or imported by the cannabis business or hemp business available to a cannabis testing facility.

(b) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, medical cannabis cultivator, medical cannabis processor, or medical cannabis combination business must disclose all known information regarding pesticides, fertilizers, solvents, or other foreign materials, including but not limited to catalysts used in creating artificially derived cannabinoids, applied or added to the batch of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products subject to testing. Disclosure must be made to the cannabis testing facility and must include information about all applications by any person, whether intentional or accidental.

(c) The cannabis testing facility shall select one or more representative samples from each batch, test the samples for the presence of contaminants, and test the samples for potency and homogeneity and to allow the cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product to be accurately labeled with its cannabinoid profile. Testing for contaminants must include testing for residual solvents, foreign material, microbiological contaminants, heavy metals, pesticide residue, mycotoxins, and any items identified pursuant to paragraph (b), and may include testing for other contaminants. A cannabis testing facility must

destroy or return to the cannabis business or hemp business any part of the sample that remains after testing.

Subd. 5. **Test results.** (a) If a sample meets the applicable testing standards, a cannabis testing facility shall issue a certification to a cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, medical cannabis cultivator, medical cannabis processor, or medical cannabis combination business and the cannabis business or hemp business may then sell or transfer the batch of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products from which the sample was taken to another cannabis business or hemp business, or offer the cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products for sale to customers or patients. If a sample does not meet the applicable testing standards or if the testing facility is unable to test for a substance identified pursuant to subdivision 4, paragraph (b), the batch from which the sample was taken shall be subject to procedures established by the office for such batches, including destruction, remediation, or retesting.

(b) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, medical cannabis cultivator, medical cannabis processor, or medical cannabis combination business must maintain the test results for cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products grown, manufactured, or imported by that cannabis business or hemp business for at least five years after the date of testing.

(c) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, medical cannabis cultivator, medical cannabis processor, or medical cannabis combination business shall make test results maintained by that cannabis business or hemp business available for review by any member of the public, upon request. Test results made available to the public must be in plain language.

Sec. 63. [342.62] PACKAGING.

Subdivision 1. **General.** All cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products sold to customers or patients must be packaged as required by this section and rules adopted under this chapter.

Subd. 2. **Packaging requirements.** (a) Except as provided in paragraph (b), all cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products sold to customers or patients must be:

(1) prepackaged in packaging or a container that is child-resistant, tamper-evident, and opaque;
or

(2) placed in packaging or a container that is plain, child-resistant, tamper-evident, and opaque at the final point of sale to a customer.

(b) The requirement that packaging be child-resistant does not apply to a lower-potency hemp edible that is intended to be consumed as a beverage.

(c) If a cannabis product, lower-potency hemp edible, or a hemp-derived consumer product is packaged in a manner that includes more than a single serving, each serving must be indicated by scoring, wrapping, or other indicators designating the individual serving size. If the item is a lower-potency hemp edible, serving indicators must meet the requirements of section 342.46, subdivision 6, paragraph (b).

(d) Edible cannabis products and lower-potency hemp edibles containing more than a single serving must be prepackaged or placed at the final point of sale in packaging or a container that is resealable.

Subd. 3. **Packaging prohibitions.** (a) Cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products sold to customers or patients must not be packaged in a manner that:

(1) bears a reasonable resemblance to any commercially available product that does not contain cannabinoids, whether the manufacturer of the product holds a registered trademark or has registered the trade dress; or

(2) is designed to appeal to persons under 21 years of age.

(b) Packaging for cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products must not contain or be coated with any perfluoroalkyl substance.

(c) Edible cannabis products and lower-potency hemp edibles must not be packaged in a material that is not approved by the United States Food and Drug Administration for use in packaging food.

Sec. 64. **[342.63] LABELING.**

Subdivision 1. **General.** All cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products sold to customers or patients must be labeled as required by this section and rules adopted under this chapter.

Subd. 2. **Content of label; cannabis.** All cannabis flower and hemp-derived consumer products that consist of hemp plant parts sold to customers or patients must have affixed on the packaging or container of the cannabis flower or hemp-derived consumer product a label that contains at least the following information:

(1) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, medical cannabis cultivator, or industrial hemp grower where the cannabis flower or hemp plant part was cultivated;

(2) the net weight or volume of cannabis flower or hemp plant parts in the package or container;

(3) the batch number;

(4) the cannabinoid profile;

(5) a universal symbol established by the office indicating that the package or container contains cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(6) verification that the cannabis flower or hemp plant part was tested according to section 342.61 and that the cannabis flower or hemp plant part complies with the applicable standards;

(7) the maximum dose, quantity, or consumption that may be considered medically safe within a 24-hour period;

(8) the following statement: "Keep this product out of reach of children."; and

(9) any other statements or information required by the office.

Subd. 3. **Content of label; cannabinoid products.** (a) All cannabis products, lower-potency hemp edibles, hemp-derived consumer products other than products subject to the requirements under subdivision 2, medical cannabinoid products, and hemp-derived topical products sold to customers or patients must have affixed to the packaging or container of the cannabis product a label that contains at least the following information:

(1) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, medical cannabis cultivator, or industrial hemp grower that cultivated the cannabis flower or hemp plant parts used in the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product;

(2) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, lower-potency hemp edible manufacturer, medical cannabis processor, or industrial hemp grower that manufactured the cannabis concentrate, hemp concentrate, or artificially derived cannabinoid and, if different, the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, lower-potency hemp edible manufacturer, or medical cannabis processor that manufactured the product;

(3) the net weight or volume of the cannabis product, lower-potency hemp edible, or hemp-derived consumer product in the package or container;

(4) the type of cannabis product, lower-potency hemp edible, or hemp-derived consumer product;

(5) the batch number;

(6) the serving size;

(7) the cannabinoid profile per serving and in total;

(8) a list of ingredients;

(9) a universal symbol established by the office indicating that the package or container contains cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(10) a warning symbol developed by the office in consultation with the commissioner of health and the Minnesota Poison Control System that:

- (i) is at least three-quarters of an inch tall and six-tenths of an inch wide;
- (ii) is in a highly visible color;
- (iii) includes a visual element that is commonly understood to mean a person should stop;
- (iv) indicates that the product is not for children; and
- (v) includes the phone number of the Minnesota Poison Control System;

(11) verification that the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product was tested according to section 342.61 and that the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product complies with the applicable standards;

(12) the maximum dose, quantity, or consumption that may be considered medically safe within a 24-hour period;

(13) the following statement: "Keep this product out of reach of children."; and

(14) any other statements or information required by the office.

(b) The office may by rule establish alternative labeling requirements for lower-potency hemp edibles that are imported into the state provided that those requirements provide consumers with information that is substantially similar to the information described in paragraph (a).

Subd. 4. Additional content of label; medical cannabis flower and medical cannabinoid products. In addition to the applicable requirements for labeling under subdivision 2 or 3, all medical cannabis flower and medical cannabinoid products must include at least the following information on the label affixed to the packaging or container of the medical cannabis flower or medical cannabinoid product:

- (1) the patient's name and date of birth;
- (2) the name and date of birth of the patient's registered designated caregiver or, if listed on the registry verification, the name of the patient's parent, legal guardian, or spouse, if applicable; and
- (3) the patient's registry identification number.

Subd. 5. Content of label; hemp-derived topical products. (a) All hemp-derived topical products sold to customers must have affixed to the packaging or container of the product a label that contains at least the following information:

- (1) the manufacturer name, location, phone number, and website;
- (2) the name and address of the independent, accredited laboratory used by the manufacturer to test the product;

(3) the net weight or volume of the product in the package or container;

(4) the type of topical product;

(5) the amount or percentage of cannabidiol, cannabigerol, or any other cannabinoid, derivative, or extract of hemp, per serving and in total;

(6) a list of ingredients;

(7) a statement that the product does not claim to diagnose, treat, cure, or prevent any disease and that the product has not been evaluated or approved by the United States Food and Drug Administration, unless the product has been so approved; and

(8) any other statements or information required by the office.

(b) The information required in paragraph (a), clauses (1), (2), and (5), may be provided through the use of a scannable barcode or matrix barcode that links to a page on a website maintained by the manufacturer or distributor if that page contains all of the information required by this subdivision.

Subd. 6. **Additional information.** (a) A cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, medical cannabis retailer, or medical cannabis combination business must provide customers and patients with the following information:

(1) factual information about impairment effects and the expected timing of impairment effects, side effects, adverse effects, and health risks of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(2) a statement that customers and patients must not operate a motor vehicle or heavy machinery while under the influence of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(3) resources customers and patients may consult to answer questions about cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products, and any side effects and adverse effects;

(4) contact information for the poison control center and a safety hotline or website for customers to report and obtain advice about side effects and adverse effects of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(5) substance use disorder treatment options; and

(6) any other information specified by the office.

(b) A cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, or medical cannabis retailer may include the information described in paragraph (a) on the label affixed to the packaging or container of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products by:

(1) posting the information in the premises of the cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, medical cannabis retailer, or medical cannabis combination business; or

(2) providing the information on a separate document or pamphlet provided to customers or patients when the customer purchases cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product.

Sec. 65. **[342.64] ADVERTISEMENT.**

Subdivision 1. **Limitations applicable to all advertisements.** Cannabis businesses, hemp businesses, and other persons shall not publish or cause to be published an advertisement for a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product in a manner that:

(1) contains false or misleading statements;

(2) contains unverified claims about the health or therapeutic benefits or effects of consuming cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(3) promotes the overconsumption of cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(4) depicts a person under 21 years of age consuming cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product; or

(5) includes an image designed or likely to appeal to individuals under 21 years of age, including cartoons, toys, animals, or children, or any other likeness to images, characters, or phrases that is designed to be appealing to individuals under 21 years of age or encourage consumption by individuals under 21 years of age; and

(6) does not contain a warning as specified by the office regarding impairment and health risks.

Subd. 2. **Outdoor advertisements; cannabis business signs.** (a) Except as provided in paragraph (c), an outdoor advertisement of a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product is prohibited.

(b) Cannabis businesses and hemp businesses may erect up to two fixed outdoor signs on the exterior of the building or property of the cannabis business or hemp business.

(c) The prohibition under paragraph (a) does not apply to an outdoor advertisement for a hemp business, or the goods or services the business offers, that is not related to the manufacture or sale of lower-potency hemp edibles and does not include an image, description, or any reference to the manufacture or sale of lower-potency hemp edibles.

Subd. 3. **Audience under 21 years of age.** Except as provided in subdivision 2, a cannabis business, hemp business, or other person shall not publish or cause to be published an advertisement for a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product in any print publication or on radio, television,

or any other medium if 30 percent or more of the audience of that medium is reasonably expected to be individuals who are under 21 years of age, as determined by reliable, current audience composition data.

Subd. 4. **Certain unsolicited advertising.** A cannabis business, hemp business, or another person shall not utilize unsolicited pop-up advertisements on the internet to advertise a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product.

Subd. 5. **Advertising using direct, individualized communication or dialogue.** Before a cannabis business, hemp business, or another person may advertise a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product through direct, individualized communication or dialogue controlled by the cannabis business, hemp business, or other person, the cannabis business, hemp business, or other person must use a method of age affirmation to verify that the recipient of the direct, individualized communication or dialogue is 21 years of age or older. For purposes of this subdivision, the method of age affirmation may include user confirmation, birth date disclosure, or another similar registration method.

Subd. 6. **Advertising using location-based devices.** A cannabis business, hemp business, or another person shall not advertise a cannabis business, a hemp business, cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product with advertising directed toward location-based devices, including but not limited to cellular telephones, unless the owner of the device is 21 years of age or older.

Subd. 7. **Advertising restrictions for health care practitioners under the medical cannabis program.** (a) A health care practitioner shall not publish or cause to be published an advertisement that:

- (1) contains false or misleading statements about the registry program;
- (2) uses colloquial terms to refer to medical cannabis flower or medical cannabinoid products, such as pot, weed, or grass;
- (3) states or implies that the health care practitioner is endorsed by the office, the Division of Medical Cannabis, or the registry program;
- (4) includes images of cannabis flower, hemp plant parts, or images of paraphernalia commonly used to smoke cannabis flower;
- (5) contains medical symbols that could reasonably be confused with symbols of established medical associations or groups; or
- (6) does not contain a warning as specified by the office regarding impairment and health risks.

(b) A health care practitioner found by the office to have violated this subdivision is prohibited from certifying that patients have a qualifying medical condition for purposes of patient participation in the registry program. A decision by the office that a health care practitioner has violated this subdivision is a final decision and is not subject to the contested case procedures in chapter 14.

Sec. 66. **[342.65] INDUSTRIAL HEMP.**

Nothing in this chapter shall limit the ability of a person licensed under chapter 18K to grow industrial hemp for commercial or research purposes, process industrial hemp for commercial purposes, sell hemp fiber products and hemp grain, manufacture hemp-derived topical products, or perform any other actions authorized by the commissioner of agriculture. For purposes of this section, "processing" has the meaning given in section 18K.02, subdivision 5, and does not include the process of creating artificially derived cannabinoids.

Sec. 67. **[342.66] HEMP-DERIVED TOPICAL PRODUCTS.**

Subdivision 1. **Scope.** This section applies to the manufacture, marketing, distribution, and sale of hemp-derived topical products.

Subd. 2. **License; not required.** No license is required to manufacture, market, distribute, or sell hemp-derived topical products.

Subd. 3. **Approved cannabinoids.** (a) Products manufactured, marketed, distributed, and sold under this section may contain cannabidiol or cannabigerol. Except as provided in paragraph (c), products may not contain any other cannabinoid unless approved by the office.

(b) The office may approve any cannabinoid, other than any tetrahydrocannabinol, and authorize its use in manufacturing, marketing, distribution, and sales under this section if the office determines that the cannabinoid is a nonintoxicating cannabinoid.

(c) A product manufactured, marketed, distributed, and sold under this section may contain cannabinoids other than cannabidiol, cannabigerol, or any other cannabinoid approved by the office provided that the cannabinoids are naturally occurring in hemp plants or hemp plant parts and the total of all other cannabinoids present in a product does not exceed one milligram per package.

Subd. 4. **Approved products.** Products sold to consumers under this section may only be manufactured, marketed, distributed, intended, or generally expected to be used by applying the product externally to a part of the body of a human or animal.

Subd. 5. **Labeling.** Hemp-derived topical products must meet the labeling requirements in section 342.63, subdivision 5.

Subd. 6. **Prohibitions.** (a) A product sold to consumers under this section must not be manufactured, marketed, distributed, or intended:

(1) for external or internal use in the diagnosis, cure, mitigation, treatment, or prevention of disease in humans or other animals;

(2) to affect the structure or any function of the bodies of humans or other animals;

(3) to be consumed by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product;

(4) to be consumed through chewing; or

(5) to be consumed through injection or application to a mucous membrane or nonintact skin.

(b) A product manufactured, marketed, distributed, or sold to consumers under this section must not:

(1) consist, in whole or in part, of any filthy, putrid, or decomposed substance;

(2) have been produced, prepared, packed, or held under unsanitary conditions where the product may have been rendered injurious to health, or where the product may have been contaminated with filth;

(3) be packaged in a container that is composed, in whole or in part, of any poisonous or deleterious substance that may render the contents injurious to health;

(4) contain any additives or excipients that have been found by the United States Food and Drug Administration to be unsafe for human or animal consumption;

(5) contain a cannabinoid or an amount or percentage of cannabinoids that is different than the information stated on the label;

(6) contain a cannabinoid, other than cannabidiol, cannabigerol, or a cannabinoid approved by the office, in an amount that exceeds the standard established in subdivision 2, paragraph (c); or

(7) contain any contaminants for which testing is required by the office in amounts that exceed the acceptable minimum standards established by the office.

(c) No product containing any cannabinoid may be sold to any individual who is under 21 years of age.

Subd. 7. **Enforcement.** The office may enforce this section under the relevant provisions of section 342.19, including but not limited to issuing administrative orders, embargoing products, and imposing civil penalties.

Sec. 68. **[342.67] LEGAL ASSISTANCE TO CANNABIS BUSINESSES AND HEMP BUSINESSES.**

An attorney must not be subject to disciplinary action by the Minnesota Supreme Court or professional responsibility board for providing legal assistance to prospective or licensed cannabis businesses or hemp businesses, or others for activities that do not violate this chapter or chapter 152.

Sec. 69. **[342.70] CANNABIS INDUSTRY COMMUNITY RENEWAL GRANTS.**

Subdivision 1. **Establishment.** The Office of Cannabis Management shall establish CanRenew, a program to award grants to eligible organizations for investments in communities where long-term residents are eligible to be social equity applicants.

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

(b) "Community investment" means a project or program designed to improve community-wide outcomes or experiences and may include efforts targeting economic development, improving social determinants of health, violence prevention, youth development, or civil legal aid, among others.

(c) "Eligible community" means a community where long-term residents are eligible to be social equity applicants.

(d) "Eligible organization" means any organization able to make an investment in a community where long-term residents are eligible to be social equity applicants and may include educational institutions, nonprofit organizations, private businesses, community groups, units of local government, or partnerships between different types of organizations.

(e) "Program" means the CanRenew grant program.

(f) "Social equity applicant" means a person who meets the qualification requirements in section 342.17.

Subd. 3. **Grants to organizations.** (a) The Division of Social Equity must award grants to eligible organizations through a competitive grant process.

(b) To receive grant money, an eligible organization must submit a written application to the office, using a form developed by the office, explaining the community investment the organization wants to make in an eligible community.

(c) An eligible organization's grant application must also include:

(1) an analysis of the community's need for the proposed investment;

(2) a description of the positive impact that the proposed investment is expected to generate for that community;

(3) any evidence of the organization's ability to successfully achieve that positive impact;

(4) any evidence of the organization's past success in making similar community investments;

(5) an estimate of the cost of the proposed investment;

(6) the sources and amounts of any nonstate funds or in-kind contributions that will supplement grant money; and

(7) any additional information requested by the office.

(d) In awarding grants under this subdivision, the office shall give weight to applications from organizations that demonstrate a history of successful community investments, particularly in geographic areas that are now eligible communities. The office shall also give weight to applications where there is demonstrated community support for the proposed investment. The office shall fund investments in eligible communities throughout the state.

Subd. 4. **Program outreach.** The office shall make extensive efforts to publicize these grants, including through partnerships with community organizations, particularly those located in eligible communities.

Subd. 5. **Reports to the legislature.** By January 15, 2024, and each January 15 thereafter, the office must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over community development that details awards given through the CanRenew program and the use of grant money, including any measures of successful community impact from the grants.

Sec. 70. **[342.72] SUBSTANCE USE TREATMENT, RECOVERY, AND PREVENTION GRANTS.**

Subdivision 1. **Account established; appropriation.** A substance use treatment, recovery, and prevention grant account is created in the special revenue fund. Money in the account, including interest earned, is appropriated to the office for the purposes specified in this section. Of the amount transferred from the general fund to the account, the office may use up to five percent for administrative expenses.

Subd. 2. **Acceptance of gifts and grants.** Notwithstanding sections 16A.013 to 16A.016, the office may accept money contributed by individuals and may apply for grants from charitable foundations to be used for the purposes identified in this section. The money accepted under this section must be deposited in the substance use treatment, recovery, and prevention grant account created under subdivision 1.

Subd. 3. **Disposition of money; grants.** (a) Money in the substance use treatment, recovery, and prevention grant account must be distributed as follows:

(1) at least 75 percent of the money is for grants for substance use disorder and mental health recovery and prevention programs. Funds must be used for recovery and prevention activities and supplies that assist individuals and families to initiate, stabilize, and maintain long-term recovery from substance use disorders and co-occurring mental health conditions. Recovery and prevention activities may include prevention education, school-linked behavioral health, school-based peer programs, peer supports, self-care and wellness, culturally specific healing, community public awareness, mutual aid networks, telephone recovery checkups, mental health warmlines, harm reduction, recovery community organization development, first episode psychosis programs, and recovery housing; and

(2) up to 25 percent of the money is for substance use disorder treatment programs as defined in chapter 245G and may be used to implement, strengthen, or expand supportive services and activities that are not covered by medical assistance under chapter 256B, MinnesotaCare under chapter 256L, or the behavioral health fund under chapter 254B. Services and activities may include adoption or expansion of evidence-based practices; competency-based training; continuing education; culturally specific and culturally responsive services; sober recreational activities; developing referral relationships; family preservation and healing; and start-up or capacity funding for programs that specialize in adolescent, culturally specific, culturally responsive, disability-specific, co-occurring disorder, or family treatment services.

(b) The office shall consult with the Governor's Advisory Council on Opioids, Substance Use, and Addiction; the commissioner of human services; and the commissioner of health to develop an appropriate application process, establish grant requirements, determine what organizations are eligible to receive grants, and establish reporting requirements for grant recipients.

Subd. 4. **Reports to the legislature.** By January 15, 2024, and each January 15 thereafter, the office must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over health and human services policy and finance that details grants awarded from the substance use treatment, recovery, and prevention grant account, including the total amount awarded, total number of recipients, and geographic distribution of those recipients.

Sec. 71. [342.73] CANNABIS GROWER GRANTS.

Subdivision 1. **Establishment.** The office, in consultation with the commissioner of agriculture, shall establish CanGrow, a program to award grants to (1) eligible organizations to help farmers navigate the regulatory structure of the legal cannabis industry, and (2) nonprofit corporations to fund loans to farmers for expansion into the legal cannabis industry.

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

(b) "Eligible organization" means any organization capable of helping farmers navigate the regulatory structure of the legal cannabis industry, particularly individuals facing barriers to education or employment, and may include educational institutions, nonprofit organizations, private businesses, community groups, units of local government, or partnerships between different types of organizations.

(c) "Industry" means the legal cannabis industry in the state of Minnesota.

(d) "Program" means the CanGrow grant program.

(e) "Social equity applicant" means a person who meets the qualification requirements in section 342.17.

Subd. 3. **Technical assistance grants.** (a) Grant money awarded to eligible organizations may be used for both developing technical assistance resources relevant to the regulatory structure of the legal cannabis industry and for providing such technical assistance or navigation services to farmers.

(b) The office must award grants to eligible organizations through a competitive grant process.

(c) To receive grant money, an eligible organization must submit a written application to the office, using a form developed by the office, explaining the organization's ability to assist farmers in navigating the regulatory structure of the legal cannabis industry, particularly farmers facing barriers to education or employment.

(d) An eligible organization's grant application must also include:

(1) a description of the proposed technical assistance or navigation services, including the types of farmers targeted for assistance;

(2) any evidence of the organization's past success in providing technical assistance or navigation services to farmers, particularly farmers who live in areas where long-term residents are eligible to be social equity applicants;

(3) an estimate of the cost of providing the technical assistance;

(4) the sources and amounts of any nonstate funds or in-kind contributions that will supplement grant money, including any amounts that farmers will be charged to receive assistance; and

(5) any additional information requested by the office.

(e) In awarding grants under this subdivision, the office shall give weight to applications from organizations that demonstrate a history of successful technical assistance or navigation services, particularly for farmers facing barriers to education or employment. The office shall also give weight to applications where the proposed technical assistance will serve areas where long-term residents are eligible to be social equity applicants. The office shall fund technical assistance to farmers throughout the state.

Subd. 4. **Loan financing grants.** (a) The CanGrow revolving loan account is established in the special revenue fund. Money in the account, including interest, is appropriated to the commissioner to make loan financing grants under the CanGrow program.

(b) The office must award grants to nonprofit corporations through a competitive grant process.

(c) To receive grant money, a nonprofit corporation must submit a written application to the office using a form developed by the office.

(d) In awarding grants under this subdivision, the office shall give weight to whether the nonprofit corporation:

(1) has a board of directors that includes individuals experienced in agricultural business development;

(2) has the technical skills to analyze projects;

(3) is familiar with other available public and private funding sources and economic development programs;

(4) can initiate and implement economic development projects;

(5) can establish and administer a revolving loan account; and

(6) has established relationships with communities where long-term residents are eligible to be social equity applicants.

The office shall make grants that will help farmers enter the legal cannabis industry throughout the state.

(e) A nonprofit corporation that receives grants under the program must:

(1) establish an office-certified revolving loan account for the purpose of making eligible loans; and

(2) enter into an agreement with the office that the office shall fund loans that the nonprofit corporation makes to farmers entering the legal cannabis industry. The office shall review existing agreements with nonprofit corporations every five years and may renew or terminate an agreement based on that review. In making this review, the office shall consider, among other criteria, the criteria in paragraph (d).

Subd. 5. **Loans to farmers.** (a) The criteria in this subdivision apply to loans made by nonprofit corporations under the program.

(b) A loan must be used to support a farmer in entering the legal cannabis industry. Priority must be given to loans to businesses owned by farmers who are eligible to be social equity applicants and businesses located in communities where long-term residents are eligible to be social equity applicants.

(c) Loans must be made to businesses that are not likely to undertake the project for which loans are sought without assistance from the program.

(d) The minimum state contribution to a loan is \$2,500 and the maximum is either:

(1) \$50,000; or

(2) \$150,000, if state contributions are matched by an equal or greater amount of new private investment.

(e) Loan applications given preliminary approval by the nonprofit corporation must be forwarded to the office for approval. The office must give final approval for each loan made by the nonprofit corporation under the program.

(f) If the borrower has met lender criteria, including being current with all payments for a minimum of three years, the office may approve either full or partial forgiveness of interest or principal amounts.

Subd. 6. **Revolving loan account administration.** (a) The office shall establish a minimum interest rate for loans or guarantees to ensure that necessary loan administration costs are covered. The interest rate charged by a nonprofit corporation for a loan under this section must not exceed the Wall Street Journal prime rate. For a loan under this section, the nonprofit corporation may charge a loan origination fee equal to or less than one percent of the loan value. The nonprofit corporation may retain the amount of the origination fee.

(b) Loan repayment of principal must be paid to the office for deposit in the CanGrow revolving loan account. Loan interest payments must be deposited in a revolving loan account created by the nonprofit corporation originating the loan being repaid for further distribution or use, consistent with the criteria of this section.

(c) Administrative expenses of the nonprofit corporations with whom the office enters into agreements, including expenses incurred by a nonprofit corporation in providing financial, technical, managerial, and marketing assistance to a business receiving a loan under this section, are eligible program expenses that the office may agree to pay under the grant agreement.

Subd. 7. **Program outreach.** The office shall make extensive efforts to publicize these grants, including through partnerships with community organizations, particularly those located in areas where long-term residents are eligible to be social equity applicants.

Subd. 8. **Reporting requirements.** (a) A nonprofit corporation that receives a grant under subdivision 4 shall:

(1) submit an annual report to the office by January 15 of each year that the nonprofit corporation participates in the program that includes a description of agricultural businesses supported by the grant program, an account of loans made during the calendar year, the program's impact on farmers' ability to expand into the legal cannabis industry, the source and amount of money collected and distributed by the program, the program's assets and liabilities, and an explanation of administrative expenses; and

(2) provide for an independent annual audit to be performed in accordance with generally accepted accounting practices and auditing standards and submit a copy of each annual audit report to the office.

(b) By February 15, 2024, and each February 15 thereafter, the office must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over agriculture that details awards given through the CanGrow program and the use of grant money, including any measures of success toward helping farmers enter the legal cannabis industry. The report must include geographic information regarding the issuance of grants and loans under this section, the repayment rate of loans issued under subdivision 5, and a summary of the amount of loans forgiven.

Sec. 72. [342.80] LAWFUL ACTIVITIES.

(a) Notwithstanding any law to the contrary, the cultivation, manufacturing, possessing, and selling of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products by a licensed cannabis business or hemp business in conformity with the rights granted by a cannabis business license or hemp business license is lawful and may not be the grounds for the seizure or forfeiture of property, arrest or prosecution, or search or inspections except as provided by this chapter.

(b) A person acting as an agent of a cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, or lower-potency hemp edible retailer who sells or otherwise transfers cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a person under 21 years of age is not subject to arrest, prosecution, or forfeiture of property if the person complied with section 342.27, subdivision 4, and any rules promulgated pursuant to this chapter.

Sec. 73. [342.81] CIVIL ACTIONS.

Subdivision 1. **Right of action.** A spouse, child, parent, guardian, employer, or other person injured in person, property, or means of support or who incurs other pecuniary loss by an intoxicated person or by the intoxication of another person, has a right of action in the person's own name for all damages sustained against a person who caused the intoxication of that person by illegally selling cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products, or selling edible cannabinoid products as defined in section 151.72, subdivision 1, paragraph (f), for on-site consumption. All damages recovered by a minor under this section must be paid either to the minor or to the minor's parent, guardian, or next friend as the court directs.

Subd. 2. **Actions.** All suits for damages under this section must be by civil action in a court of this state having jurisdiction.

Subd. 3. **Comparative negligence.** Actions under this section are governed by section 604.01.

Subd. 4. **Defense.** It is a defense for the defendant to prove by a preponderance of the evidence that the defendant reasonably and in good faith relied upon representations of proof of age in selling, bartering, furnishing, or giving the cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or edible cannabinoid products.

Subd. 5. **Common law claims.** Nothing in this chapter precludes common law tort claims against any person 21 years old or older who knowingly provides or furnishes cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or edible cannabinoid products to a person under the age of 21 years.

Sec. 74. **[342.82] NUISANCE; ACTION.**

Subdivision 1. **Nuisance.** Any use of adult-use cannabis flower which is injurious to health, indecent or offensive to the senses, or an obstruction to the free use of property so as to interfere with the comfortable enjoyment of life or property is a nuisance.

Subd. 2. **Actions; landlord; association.** (a) A person who is injuriously affected or whose personal enjoyment is lessened by a nuisance under subdivision 1 may bring an action for injunctive relief and the greater of the person's actual damages or a civil penalty of \$250.

(b) If a landlord, as defined in section 504B.001, subdivision 7, or an association, as defined in section 515B.1-103, clause (4), fails to enforce the terms of a lease, governing document, or policy related to the use of adult-use cannabis flower on the premises or property, a person who is injuriously affected or whose personal enjoyment is lessened by a nuisance under subdivision 1 as a result of the failure to enforce the terms may bring an action against the landlord or association seeking injunctive relief and the greater of the person's actual damages or a civil penalty of \$500.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to causes of actions accruing on or after that date.

Sec. 75. **EFFECTIVE DATE.**

Except as otherwise provided, each section of this article is effective July 1, 2023.

ARTICLE 2**TAXES**

Section 1. Minnesota Statutes 2022, section 270B.12, is amended by adding a subdivision to read:

Subd. 4a. **Office of Cannabis Management.** The commissioner may disclose return information to the Office of Cannabis Management for the purpose of and to the extent necessary to administer section 270C.726.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 2. Minnesota Statutes 2022, section 270C.19, is amended by adding a subdivision to read:

Subd. 6. **Cannabis sales.** (a) The commissioner is authorized to enter into a tax agreement with the governing body of any federally recognized Indian Tribe in Minnesota that provides for the state and the Tribal government to share state and local sales tax and gross receipts tax imposed on the sale of cannabis at retail by a Tribally owned business at a location off the reservation.

(b) Any payment to the Tribe under this subdivision must be limited to an approximation of the expenses borne by the Tribe in regulating the production and supplying of cannabis products to the off-reservation retail business and to taxes paid by members of the Tribe at that business location.

(c) Authority under this subdivision applies only to Tribal governments that have a compact under section 3.9228.

(d) There is annually appropriated from the general fund to the commissioner the amount necessary to make the payments provided in this subdivision.

Sec. 3. **[270C.726] POSTING OF TAX DELINQUENCY; SALE OF CANNABIS.**

Subdivision 1. **Posting; notice.** (a) Pursuant to the authority to disclose under section 270B.12, subdivision 4a, the commissioner shall, by the 15th of each month, submit to the Office of Cannabis Management a list of all taxpayers subject to the tax imposed by section 295.81 that are required to pay, withhold, or collect the tax imposed by section 290.02, 290.0922, 290.92, 290.9727, 290.9728, 290.9729, 295.81, or 297A.62; or a local sales and use tax payable to, or administered and collected by, the commissioner, and who are ten days or more delinquent in either filing a tax return or paying the tax.

(b) The commissioner is under no obligation to list a taxpayer whose business is inactive. At least ten days before notifying the Office of Cannabis Management, the commissioner shall notify the taxpayer of the intended action.

(c) The Office of Cannabis Management shall post the list required by this section on the Office of Cannabis Management website. The list must prominently show the date of posting. If a previously listed taxpayer files all returns and pays all taxes specified in this subdivision then due, the commissioner shall notify the Office of Cannabis Management within two business days.

Subd. 2. **Sales prohibited.** Beginning the third business day after the list is posted, no cannabis cultivator, cannabis manufacturer, cannabis microbusiness, cannabis mezzobusiness, medical cannabis combination business, cannabis wholesaler, or industrial hemp grower as defined in chapter 342 may sell or deliver any product to a taxpayer included on the posted list.

Subd. 3. **Penalty.** A cannabis cultivator, cannabis manufacturer, cannabis microbusiness, cannabis mezzobusiness, medical cannabis combination business, cannabis wholesaler, or industrial hemp grower as defined in chapter 342 who violates subdivision 2 of this section is subject to the penalties provided in sections 342.19 and 342.21.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 4. Minnesota Statutes 2022, section 273.13, subdivision 24, is amended to read:

Subd. 24. **Class 3.** Commercial and industrial property and utility real and personal property is class 3a.

(1) Except as otherwise provided, each parcel of commercial, industrial, or utility real property has a classification rate of 1.5 percent of the first tier of market value, and 2.0 percent of the remaining market value. In the case of contiguous parcels of property owned by the same person or entity, only the value equal to the first-tier value of the contiguous parcels qualifies for the reduced classification rate, except that contiguous parcels owned by the same person or entity shall be eligible for the first-tier value classification rate on each separate business operated by the owner of the property, provided the business is housed in a separate structure. For the purposes of this subdivision, the first tier means the first \$150,000 of market value. Real property owned in fee by a utility for transmission line right-of-way shall be classified at the classification rate for the higher tier.

For purposes of this subdivision, parcels are considered to be contiguous even if they are separated from each other by a road, street, waterway, or other similar intervening type of property. Connections between parcels that consist of power lines or pipelines do not cause the parcels to be contiguous. Property owners who have contiguous parcels of property that constitute separate businesses that may qualify for the first-tier classification rate shall notify the assessor by July 1, for treatment beginning in the following taxes payable year.

(2) All personal property that is: (i) part of an electric generation, transmission, or distribution system; or (ii) part of a pipeline system transporting or distributing water, gas, crude oil, or petroleum products; and (iii) not described in clause (3), and all railroad operating property has a classification rate as provided under clause (1) for the first tier of market value and the remaining market value. In the case of multiple parcels in one county that are owned by one person or entity, only one first tier amount is eligible for the reduced rate.

(3) The entire market value of personal property that is: (i) tools, implements, and machinery of an electric generation, transmission, or distribution system; (ii) tools, implements, and machinery of a pipeline system transporting or distributing water, gas, crude oil, or petroleum products; or (iii) the mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings, has a classification rate as provided under clause (1) for the remaining market value in excess of the first tier.

(4) Real property used for raising, cultivating, processing, or storing cannabis plants, cannabis flower, or cannabis products for sale has a classification rate as provided under clause (1) for the first tier of market value and the remaining market value. As used in this paragraph, "cannabis plant" has the meaning given in section 342.01, subdivision 19, "cannabis flower" has the meaning given in section 342.01, subdivision 16, and "cannabis product" has the meaning given in section 342.01, subdivision 20.

EFFECTIVE DATE. This section is effective beginning with assessment year 2024 and thereafter.

Sec. 5. Minnesota Statutes 2022, section 275.025, subdivision 2, is amended to read:

Subd. 2. **Commercial-industrial tax capacity.** For the purposes of this section, "commercial-industrial tax capacity" means the tax capacity of all taxable property classified as class 3 or class 5(1) under section 273.13, excluding:

(1) the tax capacity attributable to the first \$150,000 of market value of each parcel of commercial-industrial property as defined under section 273.13, subdivision 24, clauses (1) ~~and~~, (2), and (4);

(2) electric generation attached machinery under class 3; and

(3) property described in section 473.625.

County commercial-industrial tax capacity amounts are not adjusted for the captured net tax capacity of a tax increment financing district under section 469.177, subdivision 2, the net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425, or fiscal disparities contribution and distribution net tax capacities under chapter 276A or 473F. For purposes of this subdivision, the procedures for determining eligibility for tier 1 under section 273.13, subdivision 24, clauses (1) and (2), shall apply in determining the portion of a property eligible to be considered within the first \$150,000 of market value.

EFFECTIVE DATE. This section is effective beginning with assessment year 2024 and thereafter.

Sec. 6. **[289A.33] FILING REQUIREMENTS AND DUE DATES; SPECIAL RULES.**

(a) Upon the request of any cannabis business as defined by section 342.01, subdivision 14, required to collect and remit taxes imposed under section 295.81, chapter 290, or chapter 297A, the commissioner shall waive the requirement that payment of tax must be made electronically if the failure to pay electronically is because the cannabis business is unable to secure banking services and the inability to secure the services is due to its engagement in cannabis-related business allowed under Minnesota law.

(b) If, in consultation with the commissioner of commerce, the commissioner determines that the inability to find banking services is widespread and enforcement of the electronic payment requirement will significantly impede the ability of cannabis businesses to timely pay taxes imposed under section 295.81, chapter 290, or chapter 297A, the commissioner may publish notice on the department website that waives the requirement to pay the tax electronically. If such notice is

published, a cannabis business must file returns and pay taxes lawfully due in the form and manner prescribed by the commissioner.

(c) Nothing in this section relieves a cannabis business from timely filing and paying taxes.

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

Sec. 7. Minnesota Statutes 2022, section 290.0132, subdivision 29, is amended to read:

Subd. 29. **Disallowed section 280E expenses; medical cannabis manufacturers licenses.** The amount of expenses of a medical cannabis ~~manufacturer~~ business, as defined under section ~~152.22, subdivision 7~~ 342.01, subdivision 53, related to the business of medical cannabis under sections ~~152.21 to 152.37~~ 342.47 to 342.59, or a license holder under chapter 342, related to the business of nonmedical cannabis under that chapter, and not allowed for federal income tax purposes under section 280E of the Internal Revenue Code is a subtraction.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2022.

Sec. 8. Minnesota Statutes 2022, section 290.0134, subdivision 19, is amended to read:

Subd. 19. **Disallowed section 280E expenses; medical cannabis manufacturers licenses.** The amount of expenses of a medical cannabis ~~manufacturer~~ business, as defined under section ~~152.22, subdivision 7~~ 342.01, subdivision 53, related to the business of medical cannabis under sections ~~152.21 to 152.37~~ 342.47 to 342.59, or a license holder under chapter 342, related to the business of nonmedical cannabis under that chapter, and not allowed for federal income tax purposes under section 280E of the Internal Revenue Code is a subtraction.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2022.

Sec. 9. **[295.81] CANNABIS GROSS RECEIPTS TAX.**

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

(b) "Bundled transaction" means the retail sale of two or more products when the products are otherwise distinct and identifiable and the products are sold for one nonitemized price.

(c) "Cannabis flower" has the meaning given in section 342.01, subdivision 16.

(d) "Cannabis product" has the meaning given in section 342.01, subdivision 20.

(e) "Cannabis solution product" means any cartridge, bottle, or other package that contains a taxable cannabis product in a solution that is consumed or meant to be consumed through the use of a heating element, power source, electronic circuit, or other electronic, chemical, or mechanical means that produces vapor or aerosol. A cannabis solution product includes any electronic delivery system, electronic vaping device, electronic vape pen, electronic oral device, electronic delivery device, or similar product or device, and any batteries, heating elements, or other components, parts,

or accessories sold with and meant to be used in the consumption of a solution containing a taxable cannabis product.

(f) "Cannabis mezzobusiness" means a cannabis business licensed under section 342.29.

(g) "Cannabis microbusiness" means a cannabis business licensed under section 342.28.

(h) "Cannabis retailer" means a cannabis business licensed under section 342.32.

(i) "Commissioner" means the commissioner of revenue.

(j) "Gross receipts" means the total amount received in money or by barter or exchange for all taxable cannabis product sales at retail as measured by the sales price. Gross receipts include but are not limited to delivery charges and packaging costs. Gross receipts do not include:

(1) any taxes imposed directly on the customer that are separately stated on the invoice, bill of sale, or similar document given to the purchaser; and

(2) discounts, including cash, terms, or coupons, that are not reimbursed by a third party and that are allowed by the seller and taken by a purchaser on a sale.

(k) "Hemp-derived consumer product" has the meaning given in section 342.01, subdivision 37.

(l) "Lower-potency hemp edible" has the meaning given in section 342.01, subdivision 50.

(m) "Lower-potency hemp edible retailer" means a cannabis business licensed under section 342.43, subdivision 1, clause (2).

(n) "Medical cannabis flower" has the meaning given in section 342.01, subdivision 54.

(o) "Medical cannabinoid product" has the meaning given in section 342.01, subdivision 52.

(p) "Medical cannabis paraphernalia" has the meaning given in section 342.01, subdivision 55.

(q) "Retail sale" has the meaning given in section 297A.61, subdivision 4.

(r) "Taxable cannabis product" means cannabis flower, cannabis product, cannabis solution product, hemp-derived consumer product, lower-potency hemp edible, and any substantially similar item.

(s) "Taxable cannabis product retailer" means a retailer that sells any taxable cannabis product, and includes a cannabis retailer, cannabis microbusiness, cannabis mezzobusiness, medical cannabis combination business, and lower-potency hemp edible retailer. Taxable cannabis product retailer includes but is not limited to a:

(1) retailer maintaining a place of business in this state;

(2) marketplace provider maintaining a place of business in this state, as defined in section 297A.66, subdivision 1, paragraph (a);

(3) retailer not maintaining a place of business in this state; and

(4) marketplace provider not maintaining a place of business in this state, as defined in section 297A.66, subdivision 1, paragraph (b).

Subd. 2. **Gross receipts tax imposed.** (a) A tax equal to ten percent of gross receipts from retail sales in Minnesota of taxable cannabis products is imposed on any taxable cannabis product retailer that sells these products to customers. A taxable cannabis product retailer may but is not required to collect the tax imposed by this section from the purchaser as long as the tax is separately stated on the receipt, invoice, bill of sale, or similar document given to the purchaser.

(b) If a product subject to the tax imposed under this section is included in a bundled transaction, the entire sales price of the bundled transaction is subject to the tax imposed under this section.

(c) The tax imposed under this section is in addition to any other tax imposed on the sale or use of taxable cannabis products.

Subd. 3. **Use tax imposed; credit for taxes paid.** (a) A person that receives taxable cannabis products for use or storage in Minnesota, other than from a taxable cannabis product retailer that paid the tax under subdivision 2, is subject to tax at the rate imposed under subdivision 2. Liability for the tax is incurred when the person has possession of the taxable cannabis product in Minnesota. The tax must be remitted to the commissioner in the same manner prescribed for taxes imposed under chapter 297A.

(b) A person that has paid taxes to another state or any subdivision thereof on the same transaction and is subject to tax under this section is entitled to a credit for the tax legally due and paid to another state or subdivision thereof to the extent of the lesser of (1) the tax actually paid to the other state or subdivision thereof, or (2) the amount of tax imposed by Minnesota on the transaction subject to tax in the other state or subdivision thereof.

Subd. 4. **Exemptions.** (a) The use tax imposed under subdivision 3, paragraph (a), does not apply to the possession, use, or storage of taxable cannabis products if (1) the taxable cannabis products have an aggregate cost in any calendar month to the customer of \$100 or less, and (2) the taxable cannabis products were carried into this state by the customer.

(b) The tax imposed under this section does not apply to sales of medical items purchased by or for a patient enrolled in the registry program, including medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia.

(c) Unless otherwise specified in this section, the exemptions applicable to taxes imposed under chapter 297A are not applicable to the taxes imposed under this section.

(d) The tax imposed under this section does not apply to:

(1) sales made in Indian country as defined in United States Code, title 18, section 1151, by a cannabis business licensed by a Minnesota Tribal government, as defined in section 3.9228, subdivision 1, paragraph (f); or

(2) use tax owed on taxable cannabis products purchased on Tribally regulated land as defined in section 3.9228, subdivision 1, from a cannabis business licensed by a Minnesota Tribal government as defined in section 3.9228, subdivision 1, paragraph (f).

Subd. 5. **Tax collection required.** A taxable cannabis product retailer with nexus in Minnesota that is not subject to tax under subdivision 2 is required to collect the tax imposed under subdivision 4 from the purchaser of the taxable cannabis product and give the purchaser a receipt for the tax paid. The tax collected must be remitted to the commissioner in the same manner prescribed for the taxes imposed under chapter 297A.

Subd. 6. **Taxes paid to another state or any subdivision thereof; credit.** A taxable cannabis product retailer that has paid taxes to another state or any subdivision thereof measured by gross receipts and is subject to tax under this section on the same gross receipts is entitled to a credit for the tax legally due and paid to another state or any subdivision thereof to the extent of the lesser of (1) the tax actually paid to the other state or any subdivision thereof, or (2) the amount of tax imposed by Minnesota on the gross receipts subject to tax in the other taxing state or any subdivision thereof.

Subd. 7. **Sourcing of sales.** Section 297A.668 applies to the taxes imposed by this section.

Subd. 8. **Administration.** Unless specifically provided otherwise, the audit, assessment, refund, penalty, interest, enforcement, collection remedies, appeal, and administrative provisions of chapters 270C and 289A that are applicable to taxes imposed under chapter 297A, except the requirement to file returns and remit taxes due electronically if authorized under section 289A.33, apply to the tax imposed under this section.

Subd. 9. **Returns; payment of tax.** (a) A taxable cannabis product retailer must report the tax on a return prescribed by the commissioner and must remit the tax in a form and manner prescribed by the commissioner. The return and the tax must be filed and paid using the filing cycle and due dates provided for taxes imposed under section 289A.20, subdivision 4, and chapter 297A.

(b) Interest must be paid on an overpayment refunded or credited to the taxpayer from the date of payment of the tax until the date the refund is paid or credited. For purposes of this subdivision, the date of payment is the due date of the return or the date of actual payment of the tax, whichever is later.

Subd. 10. **Deposit of revenues; account established.** (a) The commissioner must deposit the revenues, including penalties and interest, derived from the tax imposed by this section as follows:

(1) 80 percent to the general fund; and

(2) 20 percent to the local government cannabis aid account in the special revenue fund.

(b) The local government cannabis aid account is established in the special revenue fund.

Subd. 11. **Personal debt.** The tax imposed by this section, and interest and penalties imposed with respect to it, are a personal debt of the person required to file a return from the time that the liability for it arises, irrespective of when the time for payment of the liability occurs. The debt must, in the case of the executor or administrator of the estate of a decedent and in the case of a fiduciary, be that of the person in the person's official or fiduciary capacity only, unless the person has

voluntarily distributed the assets held in that capacity without reserving sufficient assets to pay the tax, interest, and penalties, in which event the person is personally liable for any deficiency.

EFFECTIVE DATE. This section is effective for gross receipts received after June 30, 2023.

Sec. 10. **[295.82] CANNABIS LOCAL TAX PROHIBITED.**

A political subdivision of this state is prohibited from imposing a tax solely on the sale of taxable cannabis products as defined under section 295.81, subdivision 1, paragraph (r).

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

Sec. 11. Minnesota Statutes 2022, section 297A.61, subdivision 3, is amended to read:

Subd. 3. **Sale and purchase.** (a) "Sale" and "purchase" include, but are not limited to, each of the transactions listed in this subdivision. In applying the provisions of this chapter, the terms "tangible personal property" and "retail sale" include the taxable services listed in paragraph (g), clause (6), items (i) to (vi) and (viii), and the provision of these taxable services, unless specifically provided otherwise. Services performed by an employee for an employer are not taxable. Services performed by a partnership or association for another partnership or association are not taxable if one of the entities owns or controls more than 80 percent of the voting power of the equity interest in the other entity. Services performed between members of an affiliated group of corporations are not taxable. For purposes of the preceding sentence, "affiliated group of corporations" means those entities that would be classified as members of an affiliated group as defined under United States Code, title 26, section 1504, disregarding the exclusions in section 1504(b).

(b) Sale and purchase include:

(1) any transfer of title or possession, or both, of tangible personal property, whether absolutely or conditionally, for a consideration in money or by exchange or barter; and

(2) the leasing of or the granting of a license to use or consume, for a consideration in money or by exchange or barter, tangible personal property, other than a manufactured home used for residential purposes for a continuous period of 30 days or more.

(c) Sale and purchase include the production, fabrication, printing, or processing of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the production, fabrication, printing, or processing.

(d) Sale and purchase include the preparing for a consideration of food. Notwithstanding section 297A.67, subdivision 2, taxable food includes, but is not limited to, the following:

(1) prepared food sold by the retailer;

(2) soft drinks;

(3) candy; and

(4) dietary supplements.

(e) A sale and a purchase includes the furnishing for a consideration of electricity, gas, water, or steam for use or consumption within this state.

(f) A sale and a purchase includes the transfer for a consideration of prewritten computer software whether delivered electronically, by load and leave, or otherwise.

(g) A sale and a purchase includes the furnishing for a consideration of the following services:

(1) the privilege of admission to places of amusement, recreational areas, or athletic events, and the making available of amusement devices, tanning facilities, reducing salons, steam baths, health clubs, and spas or athletic facilities;

(2) lodging and related services by a hotel, rooming house, resort, campground, motel, or trailer camp, including furnishing the guest of the facility with access to telecommunication services, and the granting of any similar license to use real property in a specific facility, other than the renting or leasing of it for a continuous period of 30 days or more under an enforceable written agreement that may not be terminated without prior notice and including accommodations intermediary services provided in connection with other services provided under this clause;

(3) nonresidential parking services, whether on a contractual, hourly, or other periodic basis, except for parking at a meter;

(4) the granting of membership in a club, association, or other organization if:

(i) the club, association, or other organization makes available for the use of its members sports and athletic facilities, without regard to whether a separate charge is assessed for use of the facilities; and

(ii) use of the sports and athletic facility is not made available to the general public on the same basis as it is made available to members.

Granting of membership means both onetime initiation fees and periodic membership dues. Sports and athletic facilities include golf courses; tennis, racquetball, handball, and squash courts; basketball and volleyball facilities; running tracks; exercise equipment; swimming pools; and other similar athletic or sports facilities;

(5) delivery of aggregate materials by a third party, excluding delivery of aggregate material used in road construction; and delivery of concrete block by a third party if the delivery would be subject to the sales tax if provided by the seller of the concrete block. For purposes of this clause, "road construction" means construction of:

(i) public roads;

(ii) cartways; and

(iii) private roads in townships located outside of the seven-county metropolitan area up to the point of the emergency response location sign; and

(6) services as provided in this clause:

(i) laundry and dry cleaning services including cleaning, pressing, repairing, altering, and storing clothes, linen services and supply, cleaning and blocking hats, and carpet, drapery, upholstery, and industrial cleaning. Laundry and dry cleaning services do not include services provided by coin operated facilities operated by the customer;

(ii) motor vehicle washing, waxing, and cleaning services, including services provided by coin operated facilities operated by the customer, and rustproofing, undercoating, and towing of motor vehicles;

(iii) building and residential cleaning, maintenance, and disinfecting services and pest control and exterminating services;

(iv) detective, security, burglar, fire alarm, and armored car services; but not including services performed within the jurisdiction they serve by off-duty licensed peace officers as defined in section 626.84, subdivision 1, or services provided by a nonprofit organization or any organization at the direction of a county for monitoring and electronic surveillance of persons placed on in-home detention pursuant to court order or under the direction of the Minnesota Department of Corrections;

(v) pet grooming services;

(vi) lawn care, fertilizing, mowing, spraying and sprigging services; garden planting and maintenance; tree, bush, and shrub pruning, bracing, spraying, and surgery; indoor plant care; tree, bush, shrub, and stump removal, except when performed as part of a land clearing contract as defined in section 297A.68, subdivision 40; and tree trimming for public utility lines. Services performed under a construction contract for the installation of shrubbery, plants, sod, trees, bushes, and similar items are not taxable;

(vii) massages, except when provided by a licensed health care facility or professional or upon written referral from a licensed health care facility or professional for treatment of illness, injury, or disease; and

(viii) the furnishing of lodging, board, and care services for animals in kennels and other similar arrangements, but excluding veterinary and horse boarding services.

(h) A sale and a purchase includes the furnishing for a consideration of tangible personal property or taxable services by the United States or any of its agencies or instrumentalities, or the state of Minnesota, its agencies, instrumentalities, or political subdivisions.

(i) A sale and a purchase includes the furnishing for a consideration of telecommunications services, ancillary services associated with telecommunication services, and pay television services. Telecommunication services include, but are not limited to, the following services, as defined in section 297A.669: air-to-ground radiotelephone service, mobile telecommunication service, postpaid calling service, prepaid calling service, prepaid wireless calling service, and private communication services. The services in this paragraph are taxed to the extent allowed under federal law.

(j) A sale and a purchase includes the furnishing for a consideration of installation if the installation charges would be subject to the sales tax if the installation were provided by the seller of the item being installed.

(k) A sale and a purchase includes the rental of a vehicle by a motor vehicle dealer to a customer when (1) the vehicle is rented by the customer for a consideration, or (2) the motor vehicle dealer is reimbursed pursuant to a service contract as defined in section 59B.02, subdivision 11.

(l) A sale and a purchase includes furnishing for a consideration of specified digital products or other digital products or granting the right for a consideration to use specified digital products or other digital products on a temporary or permanent basis and regardless of whether the purchaser is required to make continued payments for such right. Wherever the term "tangible personal property" is used in this chapter, other than in subdivisions 10 and 38, the provisions also apply to specified digital products, or other digital products, unless specifically provided otherwise or the context indicates otherwise.

(m) The sale of the privilege of admission under section 297A.61, subdivision 3, paragraph (g), clause (1), to a place of amusement, recreational area, or athletic event includes all charges included in the privilege of admission's sales price, without deduction for amenities that may be provided, unless the amenities are separately stated and the purchaser of the privilege of admission is entitled to add or decline the amenities, and the amenities are not otherwise taxable.

(n) A sale and purchase includes the transfer for consideration of a taxable cannabis product as defined in section 295.81, subdivision 1, paragraph (r).

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 12. Minnesota Statutes 2022, section 297A.67, subdivision 2, is amended to read:

Subd. 2. **Food and food ingredients.** Except as otherwise provided in this subdivision, food and food ingredients are exempt. For purposes of this subdivision, "food" and "food ingredients" mean substances, whether in liquid, concentrated, solid, frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional value. Food and food ingredients exempt under this subdivision do not include candy, soft drinks, dietary supplements, and prepared foods. Food and food ingredients do not include alcoholic beverages ~~and~~ tobacco, taxable cannabis products, medical cannabis flower, and medical cannabinoid products. For purposes of this subdivision, "alcoholic beverages" means beverages that are suitable for human consumption and contain one-half of one percent or more of alcohol by volume. For purposes of this subdivision, "tobacco" means cigarettes, cigars, chewing or pipe tobacco, or any other item that contains tobacco. For purposes of this subdivision, "taxable cannabis product" has the meaning given in section 295.81, subdivision 1, paragraph (r), "medical cannabis flower" has the meaning given in section 342.01, subdivision 54, and "medical cannabinoid product" has the meaning given in section 342.01, subdivision 52. For purposes of this subdivision, "dietary supplements" means any product, other than tobacco, intended to supplement the diet that:

(1) contains one or more of the following dietary ingredients:

(i) a vitamin;

(ii) a mineral;

(iii) an herb or other botanical;

(iv) an amino acid;

(v) a dietary substance for use by humans to supplement the diet by increasing the total dietary intake; and

(vi) a concentrate, metabolite, constituent, extract, or combination of any ingredient described in items (i) to (v);

(2) is intended for ingestion in tablet, capsule, powder, softgel, gelcap, or liquid form, or if not intended for ingestion in such form, is not represented as conventional food and is not represented for use as a sole item of a meal or of the diet; and

(3) is required to be labeled as a dietary supplement, identifiable by the supplement facts box found on the label and as required pursuant to Code of Federal Regulations, title 21, section 101.36.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 13. Minnesota Statutes 2022, section 297A.67, subdivision 7, is amended to read:

Subd. 7. **Drugs; medical devices.** (a) Sales of the following drugs and medical devices for human use are exempt:

(1) drugs, including over-the-counter drugs;

(2) single-use finger-pricking devices for the extraction of blood and other single-use devices and single-use diagnostic agents used in diagnosing, monitoring, or treating diabetes;

(3) insulin and medical oxygen for human use, regardless of whether prescribed or sold over the counter;

(4) prosthetic devices;

(5) durable medical equipment for home use only;

(6) mobility enhancing equipment;

(7) prescription corrective eyeglasses; and

(8) kidney dialysis equipment, including repair and replacement parts.

(b) Items purchased in transactions covered by:

(1) Medicare as defined under title XVIII of the Social Security Act, United States Code, title 42, section 1395, et seq.; or

(2) Medicaid as defined under title XIX of the Social Security Act, United States Code, title 42, section 1396, et seq.

(c) For purposes of this subdivision:

(1) "Drug" means a compound, substance, or preparation, and any component of a compound, substance, or preparation, other than food and food ingredients, dietary supplements, taxable cannabis products as defined under section 295.81, subdivision 1, paragraph (r), or alcoholic beverages that is:

(i) recognized in the official United States Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States, or official National Formulary, and supplement to any of them;

(ii) intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease; or

(iii) intended to affect the structure or any function of the body.

(2) "Durable medical equipment" means equipment, including repair and replacement parts, including single-patient use items, but not including mobility enhancing equipment, that:

(i) can withstand repeated use;

(ii) is primarily and customarily used to serve a medical purpose;

(iii) generally is not useful to a person in the absence of illness or injury; and

(iv) is not worn in or on the body.

For purposes of this clause, "repair and replacement parts" includes all components or attachments used in conjunction with the durable medical equipment, including repair and replacement parts which are for single patient use only.

(3) "Mobility enhancing equipment" means equipment, including repair and replacement parts, but not including durable medical equipment, that:

(i) is primarily and customarily used to provide or increase the ability to move from one place to another and that is appropriate for use either in a home or a motor vehicle;

(ii) is not generally used by persons with normal mobility; and

(iii) does not include any motor vehicle or equipment on a motor vehicle normally provided by a motor vehicle manufacturer.

(4) "Over-the-counter drug" means a drug that contains a label that identifies the product as a drug as required by Code of Federal Regulations, title 21, section 201.66. The label must include a "drug facts" panel or a statement of the active ingredients with a list of those ingredients contained in the compound, substance, or preparation. Over-the-counter drugs do not include grooming and hygiene products, regardless of whether they otherwise meet the definition. "Grooming and hygiene products" are soaps, cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and suntan lotions and sunscreens.

(5) "Prescribed" and "prescription" means a direction in the form of an order, formula, or recipe issued in any form of oral, written, electronic, or other means of transmission by a duly licensed health care professional.

(6) "Prosthetic device" means a replacement, corrective, or supportive device, including repair and replacement parts, worn on or in the body to:

- (i) artificially replace a missing portion of the body;
- (ii) prevent or correct physical deformity or malfunction; or
- (iii) support a weak or deformed portion of the body.

Prosthetic device does not include corrective eyeglasses.

(7) "Kidney dialysis equipment" means equipment that:

(i) is used to remove waste products that build up in the blood when the kidneys are not able to do so on their own; and

(ii) can withstand repeated use, including multiple use by a single patient, notwithstanding the provisions of clause (2).

(8) A transaction is covered by Medicare or Medicaid if any portion of the cost of the item purchased in the transaction is paid for or reimbursed by the federal government or the state of Minnesota pursuant to the Medicare or Medicaid program, by a private insurance company administering the Medicare or Medicaid program on behalf of the federal government or the state of Minnesota, or by a managed care organization for the benefit of a patient enrolled in a prepaid program that furnishes medical services in lieu of conventional Medicare or Medicaid coverage pursuant to agreement with the federal government or the state of Minnesota.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 14. Minnesota Statutes 2022, section 297A.67, is amended by adding a subdivision to read:

Subd. 39. Reservation sales of taxable cannabis products. The sale of a taxable cannabis product, as defined in section 295.81, subdivision 1, paragraph (r), that is made in Indian country, as defined in United States Code, title 18, section 1151, by a cannabis business licensed by a Minnesota Tribal government, as defined in section 3.9228, subdivision 1, paragraph (f), is exempt.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 15. Minnesota Statutes 2022, section 297A.70, subdivision 2, is amended to read:

Subd. 2. Sales to government. (a) All sales, except those listed in paragraph (b), to the following governments and political subdivisions, or to the listed agencies or instrumentalities of governments and political subdivisions, are exempt:

(1) the United States and its agencies and instrumentalities;

(2) school districts, local governments, the University of Minnesota, state universities, community colleges, technical colleges, state academies, the Perpich Minnesota Center for Arts Education, and

an instrumentality of a political subdivision that is accredited as an optional/special function school by the North Central Association of Colleges and Schools;

(3) hospitals and nursing homes owned and operated by political subdivisions of the state of tangible personal property and taxable services used at or by hospitals and nursing homes;

(4) notwithstanding paragraph (d), the sales and purchases by the Metropolitan Council of vehicles and repair parts to equip operations provided for in section 473.4051 are exempt through December 31, 2016;

(5) other states or political subdivisions of other states, if the sale would be exempt from taxation if it occurred in that state; and

(6) public libraries, public library systems, multicounty, multitype library systems as defined in section 134.001, county law libraries under chapter 134A, state agency libraries, the state library under section 480.09, and the Legislative Reference Library.

(b) This exemption does not apply to the sales of the following products and services:

(1) building, construction, or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility;

(2) construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities;

(3) the leasing of a motor vehicle as defined in section 297B.01, subdivision 11, except for leases entered into by the United States or its agencies or instrumentalities;

(4) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause (2), ~~and~~ prepared food, candy, soft drinks, ~~and~~ alcoholic beverages as defined in section 297A.67, subdivision 2, and taxable cannabis products as defined under section 295.81, subdivision 1, paragraph (r), except for lodging, prepared food, candy, soft drinks, ~~and~~ alcoholic beverages, and taxable cannabis products purchased directly by the United States or its agencies or instrumentalities; or

(5) goods or services purchased by a local government as inputs to a liquor store, gas or electric utility, solid waste hauling service, solid waste recycling service, landfill, golf course, marina, campground, cafe, or laundromat.

(c) As used in this subdivision, "school districts" means public school entities and districts of every kind and nature organized under the laws of the state of Minnesota, and any instrumentality of a school district, as defined in section 471.59.

(d) For purposes of the exemption granted under this subdivision, "local governments" has the following meaning:

(1) for the period prior to January 1, 2017, local governments means statutory or home rule charter cities, counties, and townships; and

(2) beginning January 1, 2017, local governments means statutory or home rule charter cities, counties, and townships; special districts as defined under section 6.465; any instrumentality of a statutory or home rule charter city, county, or township as defined in section 471.59; and any joint powers board or organization created under section 471.59.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 16. Minnesota Statutes 2022, section 297A.70, subdivision 4, is amended to read:

Subd. 4. **Sales to nonprofit groups.** (a) All sales, except those listed in paragraph (b), to the following "nonprofit organizations" are exempt:

(1) a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes if the item purchased is used in the performance of charitable, religious, or educational functions;

(2) any senior citizen group or association of groups that:

(i) in general limits membership to persons who are either age 55 or older, or persons with a physical disability;

(ii) is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, not including housing, no part of the net earnings of which inures to the benefit of any private shareholders; and

(iii) is an exempt organization under section 501(c) of the Internal Revenue Code; and

(3) an organization that qualifies for an exemption for memberships under subdivision 12 if the item is purchased and used in the performance of the organization's mission.

For purposes of this subdivision, charitable purpose includes the maintenance of a cemetery owned by a religious organization.

(b) This exemption does not apply to the following sales:

(1) building, construction, or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility;

(2) construction materials purchased by tax-exempt entities or their contractors to be used in constructing buildings or facilities that will not be used principally by the tax-exempt entities;

(3) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause (2), ~~and~~ prepared food, candy, soft drinks, taxable cannabis products as defined under section 295.81, subdivision 1, paragraph (r), and alcoholic beverages as defined in section 297A.67, subdivision 2, except wine purchased by an established religious organization for sacramental purposes or as allowed under subdivision 9a; and

(4) leasing of a motor vehicle as defined in section 297B.01, subdivision 11, except as provided in paragraph (c).

(c) This exemption applies to the leasing of a motor vehicle as defined in section 297B.01, subdivision 11, only if the vehicle is:

(1) a truck, as defined in section 168.002, a bus, as defined in section 168.002, or a passenger automobile, as defined in section 168.002, if the automobile is designed and used for carrying more than nine persons including the driver; and

(2) intended to be used primarily to transport tangible personal property or individuals, other than employees, to whom the organization provides service in performing its charitable, religious, or educational purpose.

(d) A limited liability company also qualifies for exemption under this subdivision if (1) it consists of a sole member that would qualify for the exemption, and (2) the items purchased qualify for the exemption.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 17. Minnesota Statutes 2022, section 297A.70, subdivision 18, is amended to read:

Subd. 18. **Nursing homes and boarding care homes.** (a) All sales, except those listed in paragraph (b), to a nursing home licensed under section 144A.02 or a boarding care home certified as a nursing facility under title 19 of the Social Security Act are exempt if the facility:

(1) is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code; and

(2) is certified to participate in the medical assistance program under title 19 of the Social Security Act, or certifies to the commissioner that it does not discharge residents due to the inability to pay.

(b) This exemption does not apply to the following sales:

(1) building, construction, or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility;

(2) construction materials purchased by tax-exempt entities or their contractors to be used in constructing buildings or facilities that will not be used principally by the tax-exempt entities;

(3) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause (2), ~~and~~ prepared food, candy, soft drinks, and alcoholic beverages as defined in section 297A.67, subdivision 2, and taxable cannabis products as defined under section 295.81, subdivision 1, paragraph (r); and

(4) leasing of a motor vehicle as defined in section 297B.01, subdivision 11, except as provided in paragraph (c).

(c) This exemption applies to the leasing of a motor vehicle as defined in section 297B.01, subdivision 11, only if the vehicle is:

(1) a truck, as defined in section 168.002; a bus, as defined in section 168.002; or a passenger automobile, as defined in section 168.002, if the automobile is designed and used for carrying more than nine persons including the driver; and

(2) intended to be used primarily to transport tangible personal property or residents of the nursing home or boarding care home.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 18. Minnesota Statutes 2022, section 297A.85, is amended to read:

297A.85 CANCELLATION OF PERMITS.

The commissioner may cancel a permit if one of the following conditions occurs:

- (1) the permit holder has not filed a sales or use tax return for at least one year;
- (2) the permit holder has not reported any sales or use tax liability on the permit holder's returns for at least two years;
- (3) the permit holder requests cancellation of the permit;
- (4) the permit is subject to cancellation under section 270C.722, subdivision 2, paragraph (a); ~~or~~
- (5) the permit is subject to cancellation under section 297A.84-; or
- (6) the permit holder is a taxable cannabis product retailer as defined in section 295.81, subdivision 1, paragraph (s), other than a lower-potency hemp edible retailer as licensed under section 342.43, subdivision 1, and its license to sell a taxable cannabis product as defined in section 295.81, subdivision 1, paragraph (r), has been revoked by the Office of Cannabis Management.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 19. Minnesota Statutes 2022, section 297D.01, is amended to read:

297D.01 DEFINITIONS.

Subdivision 1. ~~**Marijuana Illegal cannabis.**~~ ~~"Marijuana"~~ ~~"Illegal cannabis"~~ means any ~~marijuana~~ taxable cannabis product as defined in section 295.81, subdivision 1, paragraph (r), whether real or counterfeit, as defined in section 152.01, subdivision 9, that is held, possessed, transported, transferred, sold, or offered to be sold in violation of chapter 342 or Minnesota criminal laws.

Subd. 2. **Controlled substance.** "Controlled substance" means any drug or substance, whether real or counterfeit, as defined in section 152.01, subdivision 4, that is held, possessed, transported,

transferred, sold, or offered to be sold in violation of Minnesota laws. "Controlled substance" does not include ~~marijuana~~ illegal cannabis.

Subd. 3. **Tax obligor or obligor.** "Tax obligor" or "obligor" means a person who in violation of Minnesota law manufactures, produces, ships, transports, or imports into Minnesota or in any manner acquires or possesses more than 42-1/2 grams of ~~marijuana~~ illegal cannabis, or seven or more grams of any controlled substance, or ten or more dosage units of any controlled substance which is not sold by weight. A quantity of ~~marijuana~~ illegal cannabis or other controlled substance is measured by the weight of the substance whether pure or impure or dilute, or by dosage units when the substance is not sold by weight, in the tax obligor's possession. A quantity of a controlled substance is dilute if it consists of a detectable quantity of pure controlled substance and any excipients or fillers.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of revenue.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 20. Minnesota Statutes 2022, section 297D.04, is amended to read:

297D.04 TAX PAYMENT REQUIRED FOR POSSESSION.

No tax obligor may possess any ~~marijuana~~ illegal cannabis or controlled substance upon which a tax is imposed by section 297D.08 unless the tax has been paid on the ~~marijuana~~ illegal cannabis or ~~other~~ a controlled substance as evidenced by a stamp or other official indicia.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 21. Minnesota Statutes 2022, section 297D.06, is amended to read:

297D.06 PHARMACEUTICALS.

Nothing in this chapter requires persons registered under chapter 151 or otherwise lawfully in possession of ~~marijuana~~ illegal cannabis or a controlled substance to pay the tax required under this chapter.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 22. Minnesota Statutes 2022, section 297D.07, is amended to read:

297D.07 MEASUREMENT.

For the purpose of calculating the tax under section 297D.08, a quantity of ~~marijuana~~ illegal cannabis or ~~other~~ a controlled substance is measured by the weight of the substance whether pure or impure or dilute, or by dosage units when the substance is not sold by weight, in the tax obligor's possession. A quantity of a controlled substance is dilute if it consists of a detectable quantity of pure controlled substance and any excipients or fillers.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 23. Minnesota Statutes 2022, section 297D.08, is amended to read:

297D.08 TAX RATE.

A tax is imposed on ~~marijuana~~ illegal cannabis and controlled substances as defined in section 297D.01 at the following rates:

- (1) on each gram of ~~marijuana~~ illegal cannabis, or each portion of a gram, \$3.50; and
- (2) on each gram of controlled substance, or portion of a gram, \$200; or
- (3) on each ten dosage units of a controlled substance that is not sold by weight, or portion thereof, \$400.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 24. Minnesota Statutes 2022, section 297D.085, is amended to read:

297D.085 CREDIT FOR PREVIOUSLY PAID TAXES.

If another state or local unit of government has previously assessed an excise tax on the ~~marijuana~~ illegal cannabis or controlled substances, the taxpayer must pay the difference between the tax due under section 297D.08 and the tax previously paid. If the tax previously paid to the other state or local unit of government was equal to or greater than the tax due under section 297D.08, no tax is due. The burden is on the taxpayer to show that an excise tax on the ~~marijuana~~ illegal cannabis or controlled substances has been paid to another state or local unit of government.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 25. Minnesota Statutes 2022, section 297D.09, subdivision 1a, is amended to read:

Subd. 1a. **Criminal penalty; sale without affixed stamps.** In addition to the tax penalty imposed, a tax obligor distributing or possessing ~~marijuana~~ illegal cannabis or controlled substances without affixing the appropriate stamps, labels, or other indicia is guilty of a crime and, upon conviction, may be sentenced to imprisonment for not more than seven years or to payment of a fine of not more than \$14,000, or both.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 26. Minnesota Statutes 2022, section 297D.10, is amended to read:

297D.10 STAMP PRICE.

Official stamps, labels, or other indicia to be affixed to all ~~marijuana~~ illegal cannabis or controlled substances shall be purchased from the commissioner. The purchaser shall pay 100 percent of face value for each stamp, label, or other indicia at the time of the purchase.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 27. Minnesota Statutes 2022, section 297D.11, is amended to read:

297D.11 PAYMENT DUE.

Subdivision 1. **Stamps affixed.** When a tax obligor purchases, acquires, transports, or imports into this state ~~marijuana~~ illegal cannabis or controlled substances on which a tax is imposed by section 297D.08, and if the indicia evidencing the payment of the tax have not already been affixed, the tax obligor shall have them permanently affixed on the ~~marijuana~~ illegal cannabis or controlled substance immediately after receiving the substance. Each stamp or other official indicia may be used only once.

Subd. 2. **Payable on possession.** Taxes imposed upon ~~marijuana~~ illegal cannabis or controlled substances by this chapter are due and payable immediately upon acquisition or possession in this state by a tax obligor.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 28. **[477A.31] LOCAL GOVERNMENT CANNABIS AID.**

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

(1) "city" means a statutory or home rule charter city; and

(2) "director" means the director of the Office of Cannabis Management under section 342.02.

Subd. 2. **Certification to commissioner of revenue.** (a) By July 15, 2024, and annually thereafter, the commissioner of management and budget must certify to the commissioner of revenue the balance of the local government cannabis aid account in the special revenue fund as of the immediately preceding June 30.

(b) By June 1, 2024, and annually thereafter, the director must certify to the commissioner of revenue the number of cannabis businesses, as defined under section 342.01, subdivision 14, licensed under chapter 342 as of the previous January 1, disaggregated by county and city.

Subd. 3. **Aid to counties.** (a) Beginning for aid payable in 2024, the amount available for aid to counties under this subdivision equals 50 percent of the amount certified in that year to the commissioner under subdivision 2, paragraph (a).

(b) Twenty percent of the amount under paragraph (a) must be distributed equally among all counties.

(c) Eighty percent of the amount under paragraph (a) must be distributed proportionally to each county according to the number of cannabis businesses located in the county as compared to the number of cannabis businesses in all counties as of the most recent certification under subdivision 2, paragraph (b).

Subd. 4. **Aid to cities.** (a) Beginning for aid payable in 2024, the amount available for aid to cities under this subdivision equals 50 percent of the amount certified in that year to the commissioner under subdivision 2, paragraph (a).

(b) The amount under paragraph (a) must be distributed proportionally to each city according to the number of cannabis businesses located in the city as compared to the number of cannabis businesses in all cities as of the most recent certification under subdivision 2, paragraph (b).

Subd. 5. **Payment.** The commissioner of revenue must compute the amount of aid payable to each county and city under this section. On or before September 1 of each year, the commissioner must certify the amount to be paid to each county and city in that year. The commissioner must pay the full amount of the aid on December 26 annually.

Subd. 6. **Appropriation.** Beginning in fiscal year 2025 and annually thereafter, the amount in the local government cannabis aid account in the special revenue fund is annually appropriated to the commissioner of revenue to make the aid payments required under this section.

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

ARTICLE 3

BUSINESS DEVELOPMENT

Section 1. [116J.659] CANNABIS INDUSTRY STARTUP FINANCING GRANTS.

Subdivision 1. **Establishment.** The commissioner of employment and economic development shall establish CanStartup, a program to award grants to nonprofit corporations to fund loans to new cannabis microbusinesses and to support job creation in communities where long-term residents are eligible to be social equity applicants.

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

(b) "Cannabis microbusiness" means a cannabis business that meets the requirements of section 342.28.

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

(d) "Industry" means the legal cannabis industry in the state of Minnesota.

(e) "New business" means a legal cannabis business that has been in existence for three years or less.

(f) "Program" means the CanStartup grant program.

(g) "Social equity applicant" means a person who meets the qualification requirements in section 342.17.

Subd. 3. **Grants.** (a) The CanStartup revolving loan account is established in the special revenue fund. Money in the account, including interest, is appropriated to the commissioner to make grants under the CanStartup program.

(b) The commissioner must award grants to nonprofit corporations through a competitive grant process.

(c) To receive grant money, a nonprofit corporation must submit a written application to the commissioner using a form developed by the commissioner.

(d) In awarding grants under this subdivision, the commissioner shall give weight to whether the nonprofit corporation:

(1) has a board of directors that includes citizens experienced in business and community development, new business enterprises, and creating jobs for people facing barriers to education or employment;

(2) has the technical skills to analyze projects;

(3) is familiar with other available public and private funding sources and economic development programs;

(4) can initiate and implement economic development projects;

(5) can establish and administer a revolving loan account;

(6) can work with job referral networks that assist people facing barriers to education or employment; and

(7) has established relationships with communities where long-term residents are eligible to be social equity applicants.

The commissioner shall make grants that will assist new cannabis microbusinesses.

(e) A nonprofit corporation that receives a grant under the program must:

(1) establish a commissioner-certified revolving loan account for the purpose of making eligible loans; and

(2) enter into an agreement with the commissioner that the commissioner shall fund loans that the nonprofit corporation makes to new cannabis microbusinesses. The commissioner shall review existing agreements with nonprofit corporations every five years and may renew or terminate an agreement based on that review. In making this review, the commissioner shall consider, among other criteria, the criteria in paragraph (d).

Subd. 4. **Loans to businesses.** (a) The criteria in this subdivision apply to loans made by nonprofit corporations under the program.

(b) Loans must be used to support a new cannabis microbusiness in the legal cannabis industry. Priority must be given to loans to businesses owned by individuals who are eligible to be social equity applicants and businesses located in communities where long-term residents are eligible to be social equity applicants.

(c) Loans must be made to cannabis microbusinesses that are not likely to undertake the project for which loans are sought without assistance from the program.

(d) The minimum state contribution to a loan is \$2,500 and the maximum is either:

(1) \$50,000; or

(2) \$150,000, if state contributions are matched by an equal or greater amount of new private investment.

(e) Loan applications given preliminary approval by the nonprofit corporation must be forwarded to the commissioner for approval. The commissioner must give final approval for each loan made by the nonprofit corporation under the program.

(f) A cannabis microbusiness that receives a loan may apply to renew the loan. Renewal applications must be made on an annual basis and a cannabis microbusiness may receive loans for up to six consecutive years. A nonprofit corporation may renew a loan to a cannabis microbusiness that is no longer a new business provided the business would otherwise qualify for an initial loan and is in good standing with the nonprofit corporation and the commissioner. A nonprofit corporation may adjust the amount of a renewed loan, or not renew a loan, if the nonprofit corporation determines that the cannabis microbusiness is financially stable and is substantially likely to continue the project for which the loan renewal is sought.

(g) If a borrower has met lender criteria, including being current with all payments for a minimum of three years, the commissioner may approve either full or partial forgiveness of interest or principal amounts.

Subd. 5. Revolving loan account administration. (a) The commissioner shall establish a minimum interest rate for loans or guarantees to ensure that necessary loan administration costs are covered. The interest rate charged by a nonprofit corporation for a loan under this section must not exceed the Wall Street Journal prime rate. For a loan under this section, the nonprofit corporation may charge a loan origination fee equal to or less than one percent of the loan value. The nonprofit corporation may retain the amount of the origination fee.

(b) Loan repayment of principal must be paid to the commissioner for deposit in the CanStartup revolving loan account. Loan interest payments must be deposited in a revolving loan account created by the nonprofit corporation originating the loan being repaid for further distribution or use, consistent with the criteria of this section.

(c) Administrative expenses of the nonprofit corporations with whom the commissioner enters into agreements, including expenses incurred by a nonprofit corporation in providing financial, technical, managerial, and marketing assistance to a business receiving a loan under this section, are eligible program expenses the commissioner may agree to pay under the grant agreement.

Subd. 6. Program outreach. The commissioner shall make extensive efforts to publicize this program, including through partnerships with community organizations, particularly those organizations located in areas where long-term residents are eligible to be social equity applicants.

Subd. 7. Reporting requirements. (a) A nonprofit corporation that receives a grant shall:

(1) submit an annual report to the commissioner by February 1 of each year that the nonprofit corporation participates in the program that includes a description of businesses supported by the grant program, an account of loans made during the calendar year, the program's impact on business creation and job creation, particularly in communities where long-term residents are eligible to be social equity applicants, the source and amount of money collected and distributed by the program, the program's assets and liabilities, and an explanation of administrative expenses; and

(2) provide for an independent annual audit to be performed in accordance with generally accepted accounting practices and auditing standards and submit a copy of each annual audit report to the commissioner.

(b) By March 1, 2024, and each March 1 thereafter, the commissioner must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over economic development that details awards given through the CanStartup program and the use of grant money, including any measures of success toward financing new cannabis microbusinesses and creating jobs in communities where long-term residents are eligible to be social equity applicants.

Sec. 2. **[116J.6595] CANNABIS INDUSTRY NAVIGATION GRANTS.**

Subdivision 1. **Establishment.** The commissioner of employment and economic development shall establish CanNavigate, a program to award grants to eligible organizations to help individuals navigate the regulatory structure of the legal cannabis industry.

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

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

(c) "Eligible organization" means any organization capable of helping individuals navigate the regulatory structure of the legal cannabis industry, particularly individuals facing barriers to education or employment, and may include educational institutions, nonprofit organizations, private businesses, community groups, units of local government, or partnerships between different types of organizations.

(d) "Industry" means the legal cannabis industry in the state of Minnesota.

(e) "Program" means the CanNavigate grant program.

(f) "Social equity applicant" means a person who meets the qualification requirements in section 342.17.

Subd. 3. **Grants to organizations.** (a) Grant money awarded to eligible organizations may be used for both developing technical assistance resources relevant to the regulatory structure of the legal cannabis industry and for providing technical assistance or navigation services to individuals.

(b) The commissioner must award grants to eligible organizations through a competitive grant process.

(c) To receive grant money, an eligible organization must submit a written application to the commissioner, using a form developed by the commissioner, explaining the organization's ability to assist individuals in navigating the regulatory structure of the legal cannabis industry, particularly individuals facing barriers to education or employment.

(d) An eligible organization's grant application must also include:

(1) a description of the proposed technical assistance or navigation services, including the types of individuals targeted for assistance;

(2) any evidence of the organization's past success in providing technical assistance or navigation services to individuals, particularly individuals who live in areas where long-term residents are eligible to be social equity applicants;

(3) an estimate of the cost of providing the technical assistance;

(4) the sources and amounts of any nonstate money or in-kind contributions that will supplement grant money, including any amounts that individuals will be charged to receive assistance; and

(5) any additional information requested by the commissioner.

(e) In awarding grants under this subdivision, the commissioner shall give weight to applications from organizations that demonstrate a history of successful technical assistance or navigation services, particularly for individuals facing barriers to education or employment. The commissioner shall also give weight to applications where the proposed technical assistance will serve areas where long-term residents are eligible to be social equity applicants. To the extent practicable, the commissioner shall fund technical assistance for a variety of sectors in the legal cannabis industry, including both processing and retail sectors.

Subd. 4. **Program outreach.** The commissioner shall make extensive efforts to publicize these grants, including through partnerships with community organizations, particularly those organizations located in areas where long-term residents are eligible to be social equity applicants.

Subd. 5. **Reports to the legislature.** By January 15, 2024, and each January 15 thereafter, the commissioner must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over economic development that details awards given through the CanNavigate program and the use of grant money, including any measures of success toward helping individuals navigate the regulatory structure of the legal cannabis industry.

Sec. 3. **[116L.90] CANNABIS INDUSTRY TRAINING GRANTS.**

Subdivision 1. **Establishment.** The commissioner of employment and economic development shall establish CanTrain, a program to award grants to (1) eligible organizations to train people for work in the legal cannabis industry, and (2) eligible individuals to acquire such training.

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

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

(c) "Eligible organization" means any organization capable of providing training relevant to the legal cannabis industry, particularly for individuals facing barriers to education or employment, and may include educational institutions, nonprofit organizations, private businesses, community groups, units of local government, labor organizations that represent cannabis workers in the state, or partnerships between different types of organizations.

(d) "Eligible individual" means a Minnesota resident who is 21 years old or older.

(e) "Industry" means the legal cannabis industry in Minnesota.

(f) "Program" means the CanTrain grant program.

(g) "Social equity applicant" means a person who meets the qualification requirements in section 342.17.

Subd. 3. **Grants to organizations.** (a) Grant money awarded to eligible organizations may be used for both developing a training program relevant to the legal cannabis industry and for providing such training to individuals.

(b) The commissioner must award grants to eligible organizations through a competitive grant process.

(c) To receive grant money, an eligible organization must submit a written application to the commissioner, using a form developed by the commissioner, explaining the organization's ability to train individuals for successful careers in the legal cannabis industry, particularly individuals facing barriers to education or employment.

(d) An eligible organization's grant application must also include:

(1) a description of the proposed training;

(2) an analysis of the degree of demand in the legal cannabis industry for the skills gained through the proposed training;

(3) any evidence of the organization's past success in training individuals for successful careers, particularly in new or emerging industries;

(4) an estimate of the cost of providing the proposed training;

(5) the sources and amounts of any nonstate funds or in-kind contributions that will supplement grant money, including any amounts that individuals will be charged to participate in the training; and

(6) any additional information requested by the commissioner.

(e) In awarding grants under this subdivision, the commissioner shall give weight to applications from organizations that demonstrate a history of successful career training, particularly for individuals facing barriers to education or employment. The commissioner shall also give weight to applications where the proposed training will:

(1) result in an industry-relevant credential; or

(2) include opportunities for hands-on or on-site experience in the industry.

The commissioner shall fund training for a broad range of careers in the legal cannabis industry, including both potential business owners and employees and for work in the growing, processing, and retail sectors of the legal cannabis industry.

Subd. 4. **Grants to individuals.** (a) The commissioner shall award grants of up to \$20,000 to eligible individuals to pursue a training program relevant to a career in the legal cannabis industry.

(b) To receive grant money, an eligible individual must submit a written application to the commissioner, using a form developed by the commissioner, identifying a training program relevant to the legal cannabis industry and the estimated cost of completing that training. The application must also indicate whether:

(1) the applicant is eligible to be a social equity applicant;

(2) the proposed training program results in an industry-relevant credential; and

(3) the proposed training program includes opportunities for hands-on or on-site experience in the industry.

The commissioner shall attempt to make the application process simple for individuals to complete, such as by publishing lists of industry-relevant training programs along with the training program's estimated cost of completing the training programs and whether the training programs will result in an industry-relevant credential or include opportunities for hands-on or on-site experience in the legal cannabis industry.

(c) The commissioner must award grants to eligible individuals through a lottery process. Applicants who have filed complete applications by the deadline set by the commissioner shall receive one entry in the lottery, plus one additional entry for each of the following:

(1) being eligible to be a social equity applicant;

(2) seeking to enroll in a training program that results in an industry-relevant credential; and

(3) seeking to enroll in a training program that includes opportunities for hands-on or on-site experience in the industry.

(d) Grant money awarded to eligible individuals shall be used to pay the costs of enrolling in a training program relevant to the legal cannabis industry, including tuition, fees, and materials costs. Grant money may also be used to remove external barriers to attending such a training program, such as the cost of child care, transportation, or other expenses approved by the commissioner.

Subd. 5. **Program outreach.** The commissioner shall make extensive efforts to publicize these grants, including through partnerships with community organizations, particularly those organizations located in areas where long-term residents are eligible to be social equity applicants.

Subd. 6. **Reports to the legislature.** By January 15, 2024, and each January 15 thereafter, the commissioner must submit a report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over workforce development that describes awards given through the CanTrain program and the use of grant money, including any measures of success toward training people for successful careers in the legal cannabis industry.

ARTICLE 4**CRIMINAL PENALTIES**

Section 1. Minnesota Statutes 2022, section 97B.065, subdivision 1, is amended to read:

Subdivision 1. **Acts prohibited.** (a) A person may not take wild animals with a firearm or by archery:

(1) when the person is under the influence of alcohol;

(2) when the person is under the influence of a controlled substance, as defined in section 152.01, subdivision 4;

(3) when the person is under the influence of a combination of any two or more of the elements in clauses (1) ~~and~~, (2), and (7);

(4) when the person's alcohol concentration is 0.08 or more;

(5) when the person's alcohol concentration as measured within two hours of the time of taking is 0.08 or more; ~~or~~

(6) when the person is under the influence of an intoxicating substance as defined in section 169A.03, subdivision 11a, and the person knows or has reason to know that the substance has the capacity to cause impairment; or

(7) when the person is under the influence of cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, an artificially derived cannabinoid, or tetrahydrocannabinols, as those terms are defined in section 342.01.

(b) An owner or other person having charge or control of a firearm or bow may not authorize or permit an individual the person knows or has reason to believe is under the influence of alcohol or a controlled substance, as provided under paragraph (a), to possess the firearm or bow in this state or on a boundary water of this state.

(c) A person may not possess a loaded or uncased firearm or an uncased bow afield under any of the conditions in paragraph (a).

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

Sec. 2. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 25. **Artificially derived cannabinoid.** "Artificially derived cannabinoid" has the meaning given in section 342.01, subdivision 6.

Sec. 3. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 26. **Cannabis concentrate.** "Cannabis concentrate" has the meaning given in section 342.01, subdivision 15.

Sec. 4. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 27. **Cannabis flower.** "Cannabis flower" has the meaning given in section 342.01, subdivision 16.

Sec. 5. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 28. **Cannabis plant.** "Cannabis plant" has the meaning given in section 342.01, subdivision 19.

Sec. 6. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 29. **Cannabis product.** "Cannabis product" has the meaning given in section 342.01, subdivision 20.

Sec. 7. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 30. **Edible cannabis product.** "Edible cannabis product" has the meaning given in section 342.01, subdivision 31.

Sec. 8. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 31. **Hemp-derived consumer product.** "Hemp-derived consumer product" has the meaning given in section 342.01, subdivision 37.

Sec. 9. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 32. **Lower-potency hemp edible.** "Lower-potency hemp edible" has the meaning given in section 342.01, subdivision 50.

Sec. 10. Minnesota Statutes 2022, section 152.021, subdivision 1, is amended to read:

Subdivision 1. **Sale crimes.** A person is guilty of controlled substance crime in the first degree if:

(1) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 17 grams or more containing cocaine or methamphetamine;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing cocaine or methamphetamine and:

(i) the person or an accomplice possesses on their person or within immediate reach, or uses, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm; or

(ii) the offense involves two aggravating factors;

(3) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing heroin;

(4) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 50 grams or more containing a narcotic drug other than cocaine, heroin, or methamphetamine; or

(5) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 50 grams or more containing amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 200 or more dosage units; or.

~~(6) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 25 kilograms or more containing marijuana or Tetrahydrocannabinols.~~

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

Sec. 11. Minnesota Statutes 2022, section 152.021, subdivision 2, is amended to read:

Subd. 2. **Possession crimes.** (a) A person is guilty of a controlled substance crime in the first degree if:

(1) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing cocaine or methamphetamine;

(2) the person unlawfully possesses one or more mixtures of a total weight of 25 grams or more containing cocaine or methamphetamine and:

(i) the person or an accomplice possesses on their person or within immediate reach, or uses, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm; or

(ii) the offense involves two aggravating factors;

(3) the person unlawfully possesses one or more mixtures of a total weight of 25 grams or more containing heroin;

(4) the person unlawfully possesses one or more mixtures of a total weight of 500 grams or more containing a narcotic drug other than cocaine, heroin, or methamphetamine;

(5) the person unlawfully possesses one or more mixtures of a total weight of 500 grams or more containing amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 500 or more dosage units; or

~~(6) the person unlawfully possesses one or more mixtures of a total weight of 50 kilograms or more containing marijuana or Tetrahydrocannabinols, or possesses 500 or more marijuana plants;:~~

(i) 50 kilograms or more of cannabis flower;

(ii) ten kilograms or more of cannabis concentrate; or

(iii) edible cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or any combination of those infused with more than one kilogram of tetrahydrocannabinols.

(b) For the purposes of this subdivision, the weight of fluid used in a water pipe may not be considered in measuring the weight of a mixture except in cases where the mixture contains four or more fluid ounces of fluid.

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

Sec. 12. Minnesota Statutes 2022, section 152.022, subdivision 1, is amended to read:

Subdivision 1. **Sale crimes.** A person is guilty of controlled substance crime in the second degree if:

(1) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing a narcotic drug other than heroin;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of three grams or more containing cocaine or methamphetamine and:

(i) the person or an accomplice possesses on their person or within immediate reach, or uses, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm; or

(ii) the offense involves three aggravating factors;

(3) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of three grams or more containing heroin;

(4) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 50 or more dosage units;

~~(5) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten kilograms or more containing marijuana or Tetrahydrocannabinols;~~

~~(6)~~ (5) the person unlawfully sells any amount of a Schedule I or II narcotic drug to a person under the age of 18, or conspires with or employs a person under the age of 18 to unlawfully sell the substance; or

~~(7)~~ (6) the person unlawfully sells any of the following in a school zone, a park zone, a public housing zone, or a drug treatment facility:

(i) any amount of a Schedule I or II narcotic drug, lysergic acid diethylamide (LSD), 3,4-methylenedioxy amphetamine, or 3,4-methylenedioxymethamphetamine; or

(ii) one or more mixtures containing methamphetamine or amphetamine; or

~~(iii) one or more mixtures of a total weight of five kilograms or more containing marijuana or Tetrahydrocannabinols.~~

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

Sec. 13. Minnesota Statutes 2022, section 152.022, subdivision 2, is amended to read:

Subd. 2. **Possession crimes.** (a) A person is guilty of controlled substance crime in the second degree if:

(1) the person unlawfully possesses one or more mixtures of a total weight of 25 grams or more containing cocaine or methamphetamine;

(2) the person unlawfully possesses one or more mixtures of a total weight of ten grams or more containing cocaine or methamphetamine and:

(i) the person or an accomplice possesses on their person or within immediate reach, or uses, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm; or

(ii) the offense involves three aggravating factors;

(3) the person unlawfully possesses one or more mixtures of a total weight of six grams or more containing heroin;

(4) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing a narcotic drug other than cocaine, heroin, or methamphetamine;

(5) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 100 or more dosage units; or

(6) the person unlawfully possesses ~~one or more mixtures of a total weight of 25 kilograms or more containing marijuana or Tetrahydrocannabinols, or possesses 100 or more marijuana plants.:~~

(i) 25 kilograms or more of cannabis flower;

(ii) five kilograms or more of cannabis concentrate; or

(iii) edible cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or any combination of those infused with more than 500 grams of tetrahydrocannabinols.

(b) For the purposes of this subdivision, the weight of fluid used in a water pipe may not be considered in measuring the weight of a mixture except in cases where the mixture contains four or more fluid ounces of fluid.

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

Sec. 14. Minnesota Statutes 2022, section 152.023, subdivision 1, is amended to read:

Subdivision 1. **Sale crimes.** A person is guilty of controlled substance crime in the third degree if:

(1) the person unlawfully sells one or more mixtures containing a narcotic drug;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures containing phencyclidine or hallucinogen, it is packaged in dosage units, and equals ten or more dosage units;

(3) the person unlawfully sells one or more mixtures containing a controlled substance classified in Schedule I, II, or III, except a Schedule I or II narcotic drug, cannabis flower, or cannabinoid products to a person under the age of 18; or

(4) the person conspires with or employs a person under the age of 18 to unlawfully sell one or more mixtures containing a controlled substance listed in Schedule I, II, or III, except a Schedule I or II narcotic drug; ~~or, cannabis flower, or cannabinoid products.~~

~~(5) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of five kilograms or more containing marijuana or Tetrahydrocannabinols.~~

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

Sec. 15. Minnesota Statutes 2022, section 152.023, subdivision 2, is amended to read:

Subd. 2. **Possession crimes.** (a) A person is guilty of controlled substance crime in the third degree if:

(1) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures of a total weight of ten grams or more containing a narcotic drug other than heroin;

(2) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures of a total weight of three grams or more containing heroin;

(3) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures containing a narcotic drug, it is packaged in dosage units, and equals 50 or more dosage units;

(4) on one or more occasions within a 90-day period the person unlawfully possesses any amount of a schedule I or II narcotic drug or five or more dosage units of lysergic acid diethylamide (LSD), 3,4-methylenedioxy amphetamine, or 3,4-methylenedioxymethamphetamine in a school zone, a park zone, a public housing zone, or a drug treatment facility;

~~(5) on one or more occasions within a 90-day period the person unlawfully possesses ~~one or more mixtures of a total weight of ten kilograms or more containing marijuana or Tetrahydrocannabinols;~~~~

(i) more than ten kilograms of cannabis flower;

(ii) more than two kilograms of cannabis concentrate; or

(iii) edible cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or any combination of those infused with more than 200 grams of tetrahydrocannabinol; or

(6) the person unlawfully possesses one or more mixtures containing methamphetamine or amphetamine in a school zone, a park zone, a public housing zone, or a drug treatment facility.

(b) For the purposes of this subdivision, the weight of fluid used in a water pipe may not be considered in measuring the weight of a mixture except in cases where the mixture contains four or more fluid ounces of fluid.

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

Sec. 16. Minnesota Statutes 2022, section 152.024, subdivision 1, is amended to read:

Subdivision 1. **Sale crimes.** A person is guilty of controlled substance crime in the fourth degree if:

(1) the person unlawfully sells one or more mixtures containing a controlled substance classified in Schedule I, II, or III, except marijuana or Tetrahydrocannabinols;

(2) the person unlawfully sells one or more mixtures containing a controlled substance classified in Schedule IV or V to a person under the age of 18; or

(3) the person conspires with or employs a person under the age of 18 to unlawfully sell a controlled substance classified in Schedule IV or V; or

~~(4) the person unlawfully sells any amount of marijuana or Tetrahydrocannabinols in a school zone, a park zone, a public housing zone, or a drug treatment facility, except a small amount for no remuneration.~~

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

Sec. 17. Minnesota Statutes 2022, section 152.025, subdivision 1, is amended to read:

Subdivision 1. **Sale crimes.** A person is guilty of a controlled substance crime in the fifth degree and upon conviction may be sentenced as provided in subdivision 4 if:

~~(1) the person unlawfully sells one or more mixtures containing marijuana or tetrahydrocannabinols, except a small amount of marijuana for no remuneration; or~~

~~(2) the person unlawfully sells one or more mixtures containing a controlled substance classified in Schedule IV.~~

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

Sec. 18. Minnesota Statutes 2022, section 152.025, subdivision 2, is amended to read:

Subd. 2. **Possession and other crimes.** A person is guilty of controlled substance crime in the fifth degree and upon conviction may be sentenced as provided in subdivision 4 if:

(1) the person unlawfully possesses one or more mixtures containing a controlled substance classified in Schedule I, II, III, or IV, ~~except a small amount of marijuana~~ cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products; or

(2) the person procures, attempts to procure, possesses, or has control over a controlled substance by any of the following means:

(i) fraud, deceit, misrepresentation, or subterfuge;

(ii) using a false name or giving false credit; or

(iii) falsely assuming the title of, or falsely representing any person to be, a manufacturer, wholesaler, pharmacist, physician, doctor of osteopathic medicine licensed to practice medicine, dentist, podiatrist, veterinarian, or other authorized person for the purpose of obtaining a controlled substance.

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

Sec. 19. **[152.0263] CANNABIS POSSESSION CRIMES.**

Subdivision 1. Possession of cannabis in the first degree. A person is guilty of cannabis possession in the first degree and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the person unlawfully possesses any of the following:

(1) more than two pounds but not more than ten kilograms of cannabis flower;

(2) more than 160 grams but not more than two kilograms of cannabis concentrate; or

(3) edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 16 grams but not more than 200 grams of tetrahydrocannabinol.

Subd. 2. Possession of cannabis in the second degree. A person is guilty of cannabis possession in the second degree and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the person unlawfully possesses any of the following:

(1) more than one pound but not more than two pounds of cannabis flower in any place other than the person's residence;

(2) more than 80 grams but not more than 160 grams of cannabis concentrate; or

(3) edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than eight grams but not more than 16 grams of tetrahydrocannabinol.

Subd. 3. Possession of cannabis in the third degree. A person is guilty of cannabis possession in the third degree and may be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than \$1,000, or both, if the person unlawfully possesses any of the following:

(1) more than four ounces but not more than one pound of cannabis flower in any place other than the person's residence;

(2) more than 16 grams but not more than 80 grams of cannabis concentrate; or

(3) edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 1,600 milligrams but not more than eight grams of tetrahydrocannabinol.

Subd. 4. Possession of cannabis in the fourth degree. A person is guilty of a petty misdemeanor if the person unlawfully possesses any of the following:

(1) more than two ounces but not more than four ounces of cannabis flower in any place other than the person's residence;

(2) more than eight grams but not more than 16 grams of cannabis concentrate; or

(3) edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 800 milligrams but not more than 1,600 milligrams of tetrahydrocannabinol.

Subd. 5. Use of cannabis in public. A local unit of government may adopt an ordinance establishing a petty misdemeanor offense for a person who unlawfully uses cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a public place provided that the definition of public place does not include the following:

(1) a private residence, including the person's curtilage or yard;

(2) private property not generally accessible by the public, unless the person is explicitly prohibited from consuming cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products on the property by the owner of the property; or

(3) the premises of an establishment or event licensed to permit on-site consumption.

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

Sec. 20. [152.0264] CANNABIS SALE CRIMES.

Subdivision 1. Sale of cannabis in the first degree. An adult is guilty of the sale of cannabis in the first degree and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the adult unlawfully sells more than two ounces of cannabis flower; more than eight grams of cannabis concentrate; or edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 800 milligrams of tetrahydrocannabinol:

(1) to a minor and the defendant is more than 36 months older than the minor;

(2) within ten years of two or more convictions under subdivision 2 or 3; or

(3) within ten years of a conviction under this subdivision.

Subd. 2. **Sale of cannabis in the second degree.** An adult is guilty of sale of cannabis in the second degree and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the adult:

(1) unlawfully sells more than two ounces of cannabis flower; more than eight grams of cannabis concentrate; or edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 800 milligrams of tetrahydrocannabinol:

(i) in a school zone, a park zone, or a drug treatment facility; or

(ii) within ten years of a conviction under subdivision 1, 2, or 3; or

(2) unlawfully sells cannabis flower, cannabis concentrate, edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a minor.

Subd. 3. **Sale of cannabis in the third degree.** An adult is guilty of sale of cannabis in the third degree and may be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than \$1,000, or both, if the adult unlawfully sells:

(1) more than two ounces of cannabis flower;

(2) more than eight grams of cannabis concentrate; or

(3) edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 800 milligrams of tetrahydrocannabinol.

Subd. 4. **Sale of cannabis in the fourth degree.** (a) An adult is guilty of a petty misdemeanor if the adult unlawfully sells:

(1) not more than two ounces of cannabis flower;

(2) not more than eight grams of cannabis concentrate; or

(3) edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with not more than 800 milligrams of tetrahydrocannabinol.

(b) A sale for no remuneration by an individual over the age of 21 to another individual over the age of 21 is not an unlawful sale under this subdivision.

Subd. 5. **Sale of cannabis by a minor.** (a) A minor is guilty of a petty misdemeanor if the minor unlawfully sells:

(1) not more than two ounces of cannabis flower;

(2) not more than eight grams of cannabis concentrate; or

(3) edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with not more than 800 milligrams of tetrahydrocannabinol.

(b) A minor is guilty of a misdemeanor if the minor unlawfully sells:

(1) more than two ounces of cannabis flower;

(2) more than eight grams of cannabis concentrate; or

(3) edible cannabis products, lower-potency hemp edibles, or hemp-derived consumer products infused with more than 800 milligrams of tetrahydrocannabinol.

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

Sec. 21. **[152.0265] CANNABIS CULTIVATION CRIMES.**

Subdivision 1. **Cultivation of cannabis in the first degree.** A person is guilty of cultivation of cannabis in the first degree and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the person unlawfully cultivates more than 23 cannabis plants.

Subd. 2. **Cultivation of cannabis in the second degree.** A person is guilty of cultivation of cannabis in the second degree and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the person unlawfully cultivates more than 16 cannabis plants but not more than 23 cannabis plants.

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

Sec. 22. Minnesota Statutes 2022, section 152.11, subdivision 2, is amended to read:

Subd. 2. **Prescription requirements for Schedule III or IV controlled substances.** (a) Except as provided in paragraph (b), no person may dispense a controlled substance included in Schedule III or IV of section 152.02 without a prescription issued, as permitted under subdivision 1, by a doctor of medicine, a doctor of osteopathic medicine licensed to practice medicine, a doctor of dental surgery, a doctor of dental medicine, a doctor of podiatry, a doctor of optometry limited to Schedule IV, or a doctor of veterinary medicine, lawfully licensed to prescribe in this state or from a practitioner licensed to prescribe controlled substances by the state in which the prescription is issued, and having a current federal drug enforcement administration registration number. Such prescription may not be dispensed or refilled except with the documented consent of the prescriber, and in no event more than six months after the date on which such prescription was issued and no such prescription may be refilled more than five times.

(b) This subdivision does not apply to cannabis plants, cannabis flower, cannabis products, or hemp-derived consumer products sold or transferred in compliance with chapter 342.

Sec. 23. Minnesota Statutes 2022, section 169A.03, is amended by adding a subdivision to read:

Subd. 3a. **Artificially derived cannabinoid.** "Artificially derived cannabinoid" has the meaning given in section 342.01, subdivision 6.

Sec. 24. Minnesota Statutes 2022, section 169A.03, is amended by adding a subdivision to read:

Subd. 3b. **Cannabis flower.** "Cannabis flower" has the meaning given in section 342.01, subdivision 16.

Sec. 25. Minnesota Statutes 2022, section 169A.03, is amended by adding a subdivision to read:

Subd. 3c. **Cannabis product.** "Cannabis product" has the meaning given in section 342.01, subdivision 20.

Sec. 26. Minnesota Statutes 2022, section 169A.03, is amended by adding a subdivision to read:

Subd. 10a. **Hemp-derived consumer product.** "Hemp-derived consumer product" has the meaning given in section 342.01, subdivision 37.

Sec. 27. Minnesota Statutes 2022, section 169A.03, is amended by adding a subdivision to read:

Subd. 11b. **Lower-potency hemp edible.** "Lower-potency hemp edible" has the meaning given in section 342.01, subdivision 50.

Sec. 28. Minnesota Statutes 2022, section 169A.20, subdivision 1, is amended to read:

Subdivision 1. **Driving while impaired crime; motor vehicle.** It is a crime for any person to drive, operate, or be in physical control of any motor vehicle, as defined in section 169A.03, subdivision 15, within this state or on any boundary water of this state when:

- (1) the person is under the influence of alcohol;
- (2) the person is under the influence of a controlled substance;
- (3) the person is under the influence of an intoxicating substance and the person knows or has reason to know that the substance has the capacity to cause impairment;
- (4) the person is under the influence of a combination of any two or more of the elements named in clauses (1) to (3) or (8);
- (5) the person's alcohol concentration at the time, or as measured within two hours of the time, of driving, operating, or being in physical control of the motor vehicle is 0.08 or more;
- (6) the vehicle is a commercial motor vehicle and the person's alcohol concentration at the time, or as measured within two hours of the time, of driving, operating, or being in physical control of the commercial motor vehicle is 0.04 or more; ~~or~~
- (7) the person's body contains any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than ~~marijuana~~ cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, an artificially derived cannabinoid, or tetrahydrocannabinols; or
- (8) the person is under the influence of cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, an artificially derived cannabinoid, or tetrahydrocannabinols.

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

Sec. 29. Minnesota Statutes 2022, section 169A.31, subdivision 1, is amended to read:

Subdivision 1. **Crime described.** It is a crime for any person to drive, operate, or be in physical control of any class of school bus or Head Start bus within this state when there is physical evidence present in the person's body of the consumption of any alcohol, cannabis flower, a cannabis product, an artificially derived cannabinoid, or tetrahydrocannabinols.

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

Sec. 30. **[169A.36] OPEN PACKAGE LAW.**

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

(1) "motor vehicle" does not include motorboats in operation or off-road recreational vehicles except while operated on a roadway or shoulder of a roadway that is not part of a grant-in-aid trail or trail designated for that vehicle by the commissioner of natural resources; and

(2) "possession" means either that the person had actual possession of the package or that the person consciously exercised dominion and control over the package.

Subd. 2. **Use; crime described.** It is a crime for a person to use cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, or any other product containing an artificially derived cannabinoid in a motor vehicle when the vehicle is on a street or highway.

Subd. 3. **Possession; crime described.** It is a crime for a person to have in possession, while in a private motor vehicle on a street or highway, any cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, or any other product containing an artificially derived cannabinoid that:

(1) is in packaging or another container that does not comply with the relevant packaging requirements in chapter 152 or 342;

(2) has been removed from the packaging in which it was sold;

(3) is in packaging that has been opened or the seal has been broken; or

(4) is in packaging of which the contents have been partially removed.

Subd. 4. **Liability of nonpresent owner; crime described.** It is a crime for the owner of any private motor vehicle or the driver, if the owner is not present in the motor vehicle, to keep or allow to be kept in a motor vehicle when the vehicle is on a street or highway any cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, or any other product containing an artificially derived cannabinoid that:

(1) is in packaging or another container that does not comply with the relevant packaging requirements in chapter 152 or 342;

(2) has been removed from the packaging in which it was sold;

(3) is in packaging that has been opened or the seal has been broken; or

(4) is in packaging of which the contents have been partially removed.

Subd. 5. **Criminal penalty.** A person who violates subdivision 2, 3, or 4 is guilty of a misdemeanor.

Subd. 6. **Exceptions.** (a) This section does not prohibit the possession or consumption of cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, or any other product containing an artificially derived cannabinoid by passengers in:

(1) a bus that is operated by a motor carrier of passengers as defined in section 221.012, subdivision 26;

(2) a vehicle that is operated for commercial purposes in a manner similar to a bicycle as defined in section 169.011, subdivision 4, with five or more passengers who provide pedal power to the drive train of the vehicle; or

(3) a vehicle providing limousine service as defined in section 221.84, subdivision 1.

(b) Subdivisions 3 and 4 do not apply to: (1) a package that is in the trunk of the vehicle if the vehicle is equipped with a trunk; or (2) a package that is in another area of the vehicle not normally occupied by the driver and passengers if the vehicle is not equipped with a trunk. A utility compartment or glove compartment is deemed to be within the area occupied by the driver and passengers.

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

Sec. 31. Minnesota Statutes 2022, section 169A.51, subdivision 1, is amended to read:

Subdivision 1. **Implied consent; conditions; election of test.** (a) Any person who drives, operates, or is in physical control of a motor vehicle within this state or on any boundary water of this state consents, subject to the provisions of sections 169A.50 to 169A.53 (implied consent law), and section 169A.20 (driving while impaired), to a chemical test of that person's blood, breath, or urine for the purpose of determining the presence of alcohol; a controlled substance or its metabolite; cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols; or an intoxicating substance. The test must be administered at the direction of a peace officer.

(b) The test may be required of a person when an officer has probable cause to believe the person was driving, operating, or in physical control of a motor vehicle in violation of section 169A.20 (driving while impaired), and one of the following conditions exist:

(1) the person has been lawfully placed under arrest for violation of section 169A.20 or an ordinance in conformity with it;

(2) the person has been involved in a motor vehicle accident or collision resulting in property damage, personal injury, or death;

(3) the person has refused to take the screening test provided for by section 169A.41 (preliminary screening test); or

(4) the screening test was administered and indicated an alcohol concentration of 0.08 or more.

(c) The test may also be required of a person when an officer has probable cause to believe the person was driving, operating, or in physical control of a commercial motor vehicle with the presence of any alcohol.

Sec. 32. Minnesota Statutes 2022, section 169A.51, subdivision 4, is amended to read:

Subd. 4. **Requirement of urine or blood test.** A blood or urine test may be required pursuant to a search warrant under sections 626.04 to 626.18 even after a breath test has been administered if there is probable cause to believe that:

(1) there is impairment by a controlled substance ~~or~~; an intoxicating substance; or cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols that is not subject to testing by a breath test;

(2) a controlled substance listed in Schedule I or II or its metabolite, other than ~~marijuana~~ cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols, is present in the person's body; or

(3) the person is unconscious or incapacitated to the point that the peace officer providing a breath test advisory, administering a breath test, or serving the search warrant has a good-faith belief that the person is mentally or physically unable to comprehend the breath test advisory or otherwise voluntarily submit to chemical tests.

Action may be taken against a person who refuses to take a blood test under this subdivision only if a urine test was offered and action may be taken against a person who refuses to take a urine test only if a blood test was offered. This limitation does not apply to an unconscious person under the circumstances described in clause (3).

Sec. 33. Minnesota Statutes 2022, section 169A.72, is amended to read:

169A.72 DRIVER EDUCATION PROGRAMS.

Driver training courses offered through the public schools and driver training courses offered by private or commercial schools or institutes shall include instruction which must encompass at least:

(1) information on the effects of consumption of beverage alcohol products and the use of illegal drugs, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer

products, artificially derived cannabinoids, tetrahydrocannabinol derived from any source, prescription drugs, and nonprescription drugs on the ability of a person to operate a motor vehicle;

(2) the hazards of driving while under the influence of alcohol, a controlled substance, or ~~drugs~~ an intoxicating substance; and

(3) the legal penalties and financial consequences resulting from violations of laws prohibiting the operation of a motor vehicle while under the influence of alcohol, a controlled substance, or ~~drugs~~ an intoxicating substance.

Sec. 34. Minnesota Statutes 2022, section 244.05, subdivision 2, is amended to read:

Subd. 2. **Rules.** (a) The commissioner of corrections shall adopt by rule standards and procedures for the establishment of conditions of release and the revocation of supervised or conditional release, and shall specify the period of revocation for each violation of release. Procedures for the revocation of release shall provide due process of law for the inmate.

(b) The commissioner may prohibit an inmate placed on parole, supervised release, or conditional release from using adult-use cannabis flower as defined in section 342.01, subdivision 3, or adult-use cannabis products as defined in section 342.01, subdivision 3, hemp-derived consumer products as defined in section 342.01, subdivision 35, or lower-potency hemp edibles as defined in section 342.01, subdivision 48, if the inmate undergoes a chemical use assessment and abstinence is consistent with a recommended level of care for the defendant in accordance with the criteria under section 254B.04, subdivision 4.

(c) The commissioner of corrections shall not prohibit an inmate placed on parole, supervised release, or conditional release from participating in the registry program as defined in section 342.01, subdivision 61, as a condition of release or revoke a patient's parole, supervised release, or conditional release or otherwise sanction a patient on parole, supervised release, or conditional release solely for participating in the registry program or for a positive drug test for cannabis components or metabolites.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to supervised release granted on or after that date.

Sec. 35. Minnesota Statutes 2022, section 192A.555, is amended to read:

192A.555 DRIVING WHILE UNDER THE INFLUENCE OR RECKLESS DRIVING.

Any person subject to this code who drives, operates or is in physical control of any motor vehicle or aircraft while under the influence of an alcoholic beverage ~~or~~ controlled substance; cannabis flower, cannabis product, lower-potency hemp edible, hemp-derived consumer product, artificially derived cannabinoid, or tetrahydrocannabinols, as those terms are defined in section 342.01, or a combination thereof or whose blood contains 0.08 percent or more by weight of alcohol or who operates said motor vehicle or aircraft in a reckless or wanton manner, shall be punished as a court-martial may direct.

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

Sec. 36. Minnesota Statutes 2022, section 360.0752, subdivision 2, is amended to read:

Subd. 2. **Crime; acts prohibited.** (a) It is a crime for any person to operate or attempt to operate an aircraft on or over land or water within this state or over any boundary water of this state under any of the following conditions:

- (1) when the person is under the influence of alcohol;
- (2) when the person is under the influence of a controlled substance;
- (3) when the person is under the influence of a combination of any two or more of the elements named in clauses (1), (2), ~~and~~ (6), and (9);
- (4) when the person's alcohol concentration is 0.04 or more;
- (5) when the person's alcohol concentration as measured within two hours of the time of operation or attempted operation is 0.04 or more;
- (6) when the person is under the influence of an intoxicating substance and the person knows or has reason to know that the substance has the capacity to cause impairment;
- (7) when the person's body contains any amount of a controlled substance listed in Schedule I or II, other than marijuana or tetrahydrocannabinols; ~~or~~
- (8) within eight hours of having consumed any alcoholic beverage or used any controlled substance; or
- (9) when the person is under the influence of cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, an artificially derived cannabinoid, or tetrahydrocannabinols, as those terms are defined in section 342.01.

(b) If proven by a preponderance of the evidence, it shall be an affirmative defense to a violation of paragraph (a), clause (7), that the defendant used the controlled substance according to the terms of a prescription issued for the defendant in accordance with sections 152.11 and 152.12.

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

Sec. 37. Minnesota Statutes 2022, section 609.135, subdivision 1, is amended to read:

Subdivision 1. **Terms and conditions.** (a) Except when a sentence of life imprisonment is required by law, or when a mandatory minimum sentence is required by section 609.11, any court may stay imposition or execution of sentence and:

- (1) may order intermediate sanctions without placing the defendant on probation; or
- (2) may place the defendant on probation with or without supervision and on the terms the court prescribes, including intermediate sanctions when practicable. The court may order the supervision to be under the probation officer of the court, or, if there is none and the conviction is for a felony or gross misdemeanor, by the commissioner of corrections, or in any case by some other suitable

and consenting person. Unless the court directs otherwise, state parole and probation agents and probation officers may impose community work service or probation violation sanctions, consistent with section 243.05, subdivision 1; sections 244.196 to 244.199; or 401.02, subdivision 5.

No intermediate sanction may be ordered performed at a location that fails to observe applicable requirements or standards of chapter 181A or 182, or any rule promulgated under them.

(b) For purposes of this subdivision, subdivision 6, and section 609.14, the term "intermediate sanctions" includes but is not limited to incarceration in a local jail or workhouse, home detention, electronic monitoring, intensive probation, sentencing to service, reporting to a day reporting center, chemical dependency or mental health treatment or counseling, restitution, fines, day-fines, community work service, work service in a restorative justice program, work in lieu of or to work off fines and, with the victim's consent, work in lieu of or to work off restitution.

(c) A court may not stay the revocation of the driver's license of a person convicted of violating the provisions of section 169A.20.

(d) If the court orders a fine, day-fine, or restitution as an intermediate sanction, payment is due on the date imposed unless the court otherwise establishes a due date or a payment plan.

(e) The court may prohibit a defendant from using adult-use cannabis flower as defined in section 342.01, subdivision 4, or adult-use cannabis products as defined in section 342.01, subdivision 2, if the defendant undergoes a chemical use assessment and abstinence is consistent with a recommended level of care for the defendant in accordance with the criteria under section 254B.04, subdivision 4. The assessment must be conducted by an assessor qualified under section 245G.11, subdivisions 1 and 5.

(f) A court shall not impose an intermediate sanction that has the effect of prohibiting a person from participating in the registry program as defined in section 342.01, subdivision 63.

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

Sec. 38. Minnesota Statutes 2022, section 609.2111, is amended to read:

609.2111 DEFINITIONS.

(a) For purposes of sections 609.2111 to 609.2114, the terms defined in this subdivision have the meanings given them.

(b) "Motor vehicle" has the meaning given in section 609.52, subdivision 1, and includes attached trailers.

(c) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

(d) "Intoxicating substance" has the meaning given in section 169A.03, subdivision 11a.

(e) "Qualified prior driving offense" includes a prior conviction:

(1) for a violation of section 169A.20 under the circumstances described in section 169A.24 or 169A.25;

(2) under section 609.2112, subdivision 1, paragraph (a), clauses (2) to (6); 609.2113, subdivision 1, clauses (2) to (6); 2, clauses (2) to (6); or 3, clauses (2) to (6); or 609.2114, subdivision 1, paragraph (a), clauses (2) to (6); or 2, clauses (2) to (6);

(3) under Minnesota Statutes 2012, section 609.21, subdivision 1, clauses (2) to (6); or

(4) under Minnesota Statutes 2006, section 609.21, subdivision 1, clauses (2) to (6); 2, clauses (2) to (6); 2a, clauses (2) to (6); 2b, clauses (2) to (6); 3, clauses (2) to (6); or 4, clauses (2) to (6).

(f) "Artificially derived cannabinoid" has the meaning given in section 342.01, subdivision 6.

(g) "Cannabis flower" has the meaning given in section 342.01, subdivision 16.

(h) "Cannabis product" has the meaning given in section 342.01, subdivision 20.

(i) "Hemp-derived consumer product" has the meaning given in section 342.01, subdivision 37.

(j) "Lower-potency hemp edible" has the meaning given in section 342.01, subdivision 50.

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

Sec. 39. Minnesota Statutes 2022, section 609.2112, subdivision 1, is amended to read:

Subdivision 1. **Criminal vehicular homicide.** (a) Except as provided in paragraph (b), a person is guilty of criminal vehicular homicide and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the person causes the death of a human being not constituting murder or manslaughter as a result of operating a motor vehicle:

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of:

(i) alcohol;

(ii) a controlled substance; or

(iii) cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols; or

~~(iii)~~ (iv) any combination of those elements;

(3) while having an alcohol concentration of 0.08 or more;

(4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;

(5) in a negligent manner while under the influence of an intoxicating substance and the person knows or has reason to know that the substance has the capacity to cause impairment;

(6) in a negligent manner while any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than ~~marijuana~~ cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols, is present in the person's body;

(7) where the driver who causes the collision leaves the scene of the collision in violation of section 169.09, subdivision 1 or 6; or

(8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the death was caused by the defective maintenance.

(b) If a person is sentenced under paragraph (a) for a violation under paragraph (a), clauses (2) to (6), occurring within ten years of a qualified prior driving offense, the statutory maximum sentence of imprisonment is 15 years.

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

Sec. 40. Minnesota Statutes 2022, section 609.2113, subdivision 1, is amended to read:

Subdivision 1. **Great bodily harm.** A person is guilty of criminal vehicular operation resulting in great bodily harm and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the person causes great bodily harm to another not constituting attempted murder or assault as a result of operating a motor vehicle:

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of:

(i) alcohol;

(ii) a controlled substance; ~~or~~

(iii) cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols; or

~~(iii)~~ (iv) any combination of those elements;

(3) while having an alcohol concentration of 0.08 or more;

(4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;

(5) in a negligent manner while under the influence of an intoxicating substance and the person knows or has reason to know that the substance has the capacity to cause impairment;

(6) in a negligent manner while any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than ~~marijuana~~ cannabis flower, a cannabis product, a lower-potency hemp

edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols, is present in the person's body;

(7) where the driver who causes the accident leaves the scene of the accident in violation of section 169.09, subdivision 1 or 6; or

(8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the injury was caused by the defective maintenance.

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

Sec. 41. Minnesota Statutes 2022, section 609.2113, subdivision 2, is amended to read:

Subd. 2. **Substantial bodily harm.** A person is guilty of criminal vehicular operation resulting in substantial bodily harm and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$10,000, or both, if the person causes substantial bodily harm to another as a result of operating a motor vehicle:

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of:

(i) alcohol;

(ii) a controlled substance; ~~or~~

(iii) cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols; or

~~(iii)~~ (iv) any combination of those elements;

(3) while having an alcohol concentration of 0.08 or more;

(4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;

(5) in a negligent manner while under the influence of an intoxicating substance and the person knows or has reason to know that the substance has the capacity to cause impairment;

(6) in a negligent manner while any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than ~~marijuana~~ cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols, is present in the person's body;

(7) where the driver who causes the accident leaves the scene of the accident in violation of section 169.09, subdivision 1 or 6; or

(8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the injury was caused by the defective maintenance.

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

Sec. 42. Minnesota Statutes 2022, section 609.2113, subdivision 3, is amended to read:

Subd. 3. **Bodily harm.** A person is guilty of criminal vehicular operation resulting in bodily harm and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the person causes bodily harm to another as a result of operating a motor vehicle:

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of:

(i) alcohol;

(ii) a controlled substance; ~~or~~

(iii) cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols; or

~~(iii)~~ (iv) any combination of those elements;

(3) while having an alcohol concentration of 0.08 or more;

(4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;

(5) in a negligent manner while under the influence of an intoxicating substance and the person knows or has reason to know that the substance has the capacity to cause impairment;

(6) in a negligent manner while any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than ~~marijuana~~ cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols, is present in the person's body;

(7) where the driver who causes the accident leaves the scene of the accident in violation of section 169.09, subdivision 1 or 6; or

(8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the injury was caused by the defective maintenance.

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

Sec. 43. Minnesota Statutes 2022, section 609.2114, subdivision 1, is amended to read:

Subdivision 1. **Death to an unborn child.** (a) Except as provided in paragraph (b), a person is guilty of criminal vehicular operation resulting in death to an unborn child and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the person causes the death of an unborn child as a result of operating a motor vehicle:

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of:

(i) alcohol;

(ii) a controlled substance; ~~or~~

(iii) cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols; or

~~(iii)~~ (iv) any combination of those elements;

(3) while having an alcohol concentration of 0.08 or more;

(4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;

(5) in a negligent manner while under the influence of an intoxicating substance and the person knows or has reason to know that the substance has the capacity to cause impairment;

(6) in a negligent manner while any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than ~~marijuana~~ cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols, is present in the person's body;

(7) where the driver who causes the accident leaves the scene of the accident in violation of section 169.09, subdivision 1 or 6; or

(8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the injury was caused by the defective maintenance.

(b) If a person is sentenced under paragraph (a) for a violation under paragraph (a), clauses (2) to (6), occurring within ten years of a qualified prior driving offense, the statutory maximum sentence of imprisonment is 15 years.

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

Sec. 44. Minnesota Statutes 2022, section 609.2114, subdivision 2, is amended to read:

Subd. 2. **Injury to an unborn child.** A person is guilty of criminal vehicular operation resulting in injury to an unborn child and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the person causes the great bodily harm to an unborn child subsequently born alive as a result of operating a motor vehicle:

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of:

(i) alcohol;

(ii) a controlled substance; ~~or~~

(iii) cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols; or

~~(iii)~~ (iv) any combination of those elements;

(3) while having an alcohol concentration of 0.08 or more;

(4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;

(5) in a negligent manner while under the influence of an intoxicating substance and the person knows or has reason to know that the substance has the capacity to cause impairment;

(6) in a negligent manner while any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than ~~marijuana~~ cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, artificially derived cannabinoids, or tetrahydrocannabinols, is present in the person's body;

(7) where the driver who causes the accident leaves the scene of the accident in violation of section 169.09, subdivision 1 or 6; or

(8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the injury was caused by the defective maintenance.

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

Sec. 45. Minnesota Statutes 2022, section 609.5311, subdivision 1, is amended to read:

Subdivision 1. **Controlled substances.** All controlled substances that were manufactured, distributed, dispensed, or acquired in violation of chapter 152 or 342 are subject to forfeiture under this section, except as provided in subdivision 3 and section 609.5316.

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

Sec. 46. Minnesota Statutes 2022, section 609.5314, subdivision 1, is amended to read:

Subdivision 1. **Property subject to administrative forfeiture.** (a) The following are subject to administrative forfeiture under this section:

(1) all money totaling \$1,500 or more, precious metals, and precious stones that there is probable cause to believe represent the proceeds of a controlled substance offense;

(2) all money found in proximity to controlled substances when there is probable cause to believe that the money was exchanged for the purchase of a controlled substance;

(3) all conveyance devices containing controlled substances with a retail value of \$100 or more if there is probable cause to believe that the conveyance device was used in the transportation or exchange of a controlled substance intended for distribution or sale; and

(4) all firearms, ammunition, and firearm accessories found:

(i) in a conveyance device used or intended for use to commit or facilitate the commission of a felony offense involving a controlled substance;

(ii) on or in proximity to a person from whom a felony amount of controlled substance is seized;
or

(iii) on the premises where a controlled substance is seized and in proximity to the controlled substance, if possession or sale of the controlled substance would be a felony under chapter 152.

(b) The Department of Corrections Fugitive Apprehension Unit shall not seize items listed in paragraph (a), clauses (3) and (4), for the purposes of forfeiture.

(c) Money is the property of an appropriate agency and may be seized and recovered by the appropriate agency if:

(1) the money is used by an appropriate agency, or furnished to a person operating on behalf of an appropriate agency, to purchase or attempt to purchase a controlled substance; and

(2) the appropriate agency records the serial number or otherwise marks the money for identification.

(d) As used in this section, "money" means United States currency and coin; the currency and coin of a foreign country; a bank check, cashier's check, or traveler's check; a prepaid credit card; cryptocurrency; or a money order.

(e) As used in this section, "controlled substance" does not include cannabis flower as defined in section 342.01, subdivision 15, cannabis products as defined in section 342.01, subdivision 19, hemp-derived consumer products as defined in section 342.01, subdivision 35, or lower-potency hemp edibles as defined in section 342.01, subdivision 48.

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

Sec. 47. Minnesota Statutes 2022, section 609.5316, subdivision 2, is amended to read:

Subd. 2. **Controlled substances.** (a) Controlled substances listed in Schedule I that are possessed, transferred, sold, or offered for sale in violation of chapter 152 or 342, are contraband and must be seized and summarily forfeited. Controlled substances listed in Schedule I that are seized or come into the possession of peace officers, the owners of which are unknown, are contraband and must be summarily forfeited.

(b) Species of plants from which controlled substances in Schedules I and II may be derived that have been planted or cultivated in violation of chapter 152 or of which the owners or cultivators are unknown, or that are wild growths, may be seized and summarily forfeited to the state. The appropriate agency or its authorized agent may seize the plants if the person in occupancy or in control of land or premises where the plants are growing or being stored fails to produce an appropriate registration or proof that the person is the holder of appropriate registration.

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

Sec. 48. Minnesota Statutes 2022, section 624.7142, subdivision 1, is amended to read:

Subdivision 1. **Acts prohibited.** A person may not carry a pistol on or about the person's clothes or person in a public place:

(1) when the person is under the influence of a controlled substance, as defined in section 152.01, subdivision 4;

(2) when the person is under the influence of a combination of any two or more of the elements named in clauses (1) ~~and~~, (4), and (7);

(3) when the person is under the influence of an intoxicating substance as defined in section 169A.03, subdivision 11a, and the person knows or has reason to know that the substance has the capacity to cause impairment;

(4) when the person is under the influence of alcohol;

(5) when the person's alcohol concentration is 0.10 or more; ~~or~~

(6) when the person's alcohol concentration is less than 0.10, but more than 0.04; or

(7) when the person is under the influence of cannabis flower, a cannabis product, a lower-potency hemp edible, a hemp-derived consumer product, an artificially derived cannabinoid, or tetrahydrocannabinols, as those terms are defined in section 342.01.

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

Sec. 49. DWI CONTROLLED SUBSTANCE ROADSIDE TESTING INSTRUMENT PILOT PROJECT; REPORT REQUIRED.

(a) The commissioner of public safety must design, plan, and implement a pilot project to study oral fluid roadside testing instruments to determine the presence of a controlled substance or intoxicating substance in individuals stopped or arrested for driving while impaired offenses. The pilot project must determine the practicality, accuracy, and efficacy of these testing instruments and determine and make recommendations on the best instrument or instruments to pursue in the future.

(b) The pilot project must begin on September 1, 2023, and continue until August 31, 2024.

(c) The commissioner must consult with law enforcement officials, prosecutors, criminal defense attorneys, and other interested and knowledgeable parties when designing, implementing, and evaluating the pilot project.

(d) All oral fluid samples obtained for the purpose of this pilot project must be obtained by a certified drug recognition evaluator and may only be collected with the express voluntary consent of the person stopped or arrested for suspicion of driving while impaired. Results of tests conducted under the pilot project are to be used for the purpose of analyzing the practicality, accuracy, and efficacy of the instrument. Results may not be used to decide whether an arrest should be made and are not admissible in any legal proceeding.

(e) By February 1, 2025, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety on the results of the pilot project. At a minimum, the report must include information on how accurate the instruments were when tested against laboratory results, how often participants were found to have controlled substances or intoxicating substances in their systems, how often there was commingling of controlled substances or intoxicating substances with alcohol, the types of controlled substances or intoxicating substances found in participants' systems and which types were most common, and the number of participants in the project. In addition, the report must assess the practicality and reliability of using the instruments in the field and make recommendations on continuing the project permanently.

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

ARTICLE 5

EXPUNGEMENT

Section 1. Minnesota Statutes 2022, section 609A.01, is amended to read:

609A.01 EXPUNGEMENT OF CRIMINAL RECORDS.

This chapter provides the grounds and procedures for expungement of criminal records under section 13.82; 152.18, subdivision 1; 299C.11, where a petition is authorized under section 609A.02, subdivision 3; expungement is automatic under section 609A.055; expungement is considered by a panel under section 609A.06; or other applicable law. The remedy available is limited to a court order sealing the records and prohibiting the disclosure of their existence or their opening except under court order or statutory authority. Nothing in this chapter authorizes the destruction of records or their return to the subject of the records.

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

Sec. 2. [609A.055] AUTOMATIC EXPUNGEMENT OF CERTAIN CANNABIS OFFENSES.

Subdivision 1. Eligibility; dismissal, exoneration, or conviction of nonfelony cannabis offenses. (a) A person is eligible for expungement:

(1) upon the dismissal and discharge of proceedings against a person under section 152.18, subdivision 1, for violation of section 152.024, 152.025, or 152.027;

(2) if the person was convicted of or received a stayed sentence for a violation of section 152.027, subdivision 3 or 4;

(3) if the person was arrested and all charges were dismissed prior to a determination of probable cause for charges under section 152.021, subdivision 2, paragraph (a), clause (6); 152.022, subdivision 2, paragraph (a), clause (6); 152.023, subdivision 2, paragraph (a), clause (5); 152.024, subdivision 2, clause (2); 152.025, subdivision 2, clause (1); or 152.027, subdivision 3 or 4; or

(4) if all pending actions or proceedings were resolved in favor of the person for charges under section 152.021, subdivision 2, paragraph (a), clause (6); 152.022, subdivision 2, paragraph (a), clause (6); 152.023, subdivision 2, paragraph (a), clause (5); 152.024, subdivision 2, clause (2); 152.025, subdivision 2, clause (1); or 152.027, subdivision 3 or 4.

(b) For purposes of this section:

(1) a verdict of not guilty by reason of mental illness is not a resolution in favor of the person; and

(2) an action or proceeding is resolved in favor of the person if the person received an order under section 590.11 determining that the person is eligible for compensation based on exoneration.

Subd. 2. Bureau of Criminal Apprehension to identify eligible individuals. (a) The Bureau of Criminal Apprehension shall identify bureau records that qualify for expungement pursuant to subdivision 1.

(b) The Bureau of Criminal Apprehension shall notify the judicial branch of:

(1) the name and date of birth of each person whose case is eligible for an order of expungement; and

(2) the court file number of the eligible case.

Subd. 3. Expungement relief; notification requirements. (a) The Bureau of Criminal Apprehension shall grant expungement relief to each qualifying person whose records the bureau possesses and seal the bureau's records without requiring an application, petition, or motion. The bureau shall seal records related to an expungement within 60 days after the bureau sent notice of the expungement to the judicial branch pursuant to subdivision 2, paragraph (b), unless an order of the judicial branch prohibits sealing the records or additional information establishes that the records are not eligible for expungement.

(b) Nonpublic criminal records maintained by the bureau and subject to a grant of expungement relief must display a notation stating "expungement relief granted pursuant to section 609A.055."

(c) The bureau shall inform the judicial branch of all cases that are granted expungement relief pursuant to this section. The bureau may notify the judicial branch using electronic means and may notify the judicial branch immediately or in a monthly report. Upon receiving notice of an expungement, the judicial branch shall seal all related records, including records of the person's arrest, indictment, trial, verdict, and dismissal or discharge of the case. Upon receiving notice of an expungement, the judicial branch shall issue any order necessary to seal related records. The judicial branch shall not order the Department of Health or the Department of Human Services to seal records under this section.

(d) The bureau shall inform each arresting or citing law enforcement agency or prosecutorial office with records affected by the grant of expungement relief issued pursuant to paragraph (a) that expungement has been granted. The bureau shall notify each agency or office of an expungement within 60 days after the bureau sent notice of the expungement to the judicial branch. The bureau may notify each agency or office using electronic means. Upon receiving notification of an expungement, an agency or office shall seal all records related to the expungement, including the records of the person's arrest, indictment, trial, verdict, and dismissal or discharge of the case.

(e) The bureau shall provide information on its publicly facing website clearly stating that persons who are noncitizens may need copies of records affected by a grant of expungement relief for immigration purposes, explaining how they can obtain these copies after expungement or other granted relief, and stating that a noncitizen should consult with an immigration attorney.

(f) Data on a person whose offense has been expunged under this subdivision, including any notice sent pursuant to paragraph (d), are private data on individuals as defined in section 13.02, subdivision 12.

(g) Section 609A.03, subdivision 6, applies to an order issued under this section sealing the record of proceedings under section 152.18.

(h) The limitations under section 609A.03, subdivision 7a, paragraph (b), do not apply to an order issued under this section.

(i) The subject whose record qualifies for expungement shall be given access to copies of the records of arrest, conviction, or incarceration for any purposes, including immigration purposes.

(j) Relief granted under this subdivision shall not impact the ability of a petitioner to file for relief under section 590.01.

Subd. 4. **Immunity from civil liability.** The Department of Public Safety, commissioner of public safety, Bureau of Criminal Apprehension, superintendent of the Bureau of Criminal Apprehension, and all employees of the Bureau of Criminal Apprehension shall not be held civilly liable when acting in good faith to exercise the powers granted by this section or for acts or omissions occurring within the scope of the performance of their duties under this section.

Subd. 5. **Report.** The Bureau of Criminal Apprehension shall issue a report to the legislative committees and divisions with jurisdiction over public safety policy and finance upon completion

of the work required under subdivision 2. The report shall contain summary data and must include the total number of expungements granted by the Bureau of Criminal Apprehension.

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

Sec. 3. **[609A.06] EXPUNGEMENT AND RESENTENCING OF FELONY CANNABIS OFFENSES.**

Subdivision 1. **Cannabis Expungement Board.** (a) The Cannabis Expungement Board is created with the powers and duties established by law.

(b) The Cannabis Expungement Board is composed of the following members:

(1) the chief justice of the supreme court or a designee;

(2) the attorney general or a designee;

(3) one public defender, appointed by the governor upon recommendation of the state public defender;

(4) the commissioner of corrections or a designee; and

(5) one public member with relevant experience, appointed by the governor.

(c) In appointing the public member described in paragraph (b), clause (5), the governor shall prioritize appointment of an individual with experience as an advocate for victim's rights.

(d) Subject to the notice requirements in section 15.0575, subdivision 4, a member may be removed by the appointing authority at any time (1) for cause, after notice and hearing, or (2) after missing three consecutive meetings. Vacancies shall be filled by the appointing authority.

(e) Members are eligible for compensation pursuant to section 15.0575, subdivision 3.

(f) The Cannabis Expungement Board shall have the following powers and duties:

(1) to obtain and review the records, including but not limited to all matters, files, documents, and papers incident to the arrest, indictment, information, trial, appeal, or dismissal and discharge, which relate to a charge for sale or possession of a controlled substance;

(2) to determine whether a person committed an act involving the sale or possession of cannabis flower or cannabinoid products that would either be a lesser offense or no longer be a crime after August 1, 2023;

(3) to determine whether a person's conviction should be vacated, charges should be dismissed, and records should be expunged, or whether the person should be resentenced to a lesser offense;

(4) to identify violations of section 152.027, subdivisions 3 and 4, that were not automatically expunged pursuant to section 609A.055; and

(5) to notify the judicial branch of individuals eligible for an expungement or resentencing to a lesser offense.

(g) The Cannabis Expungement Board shall determine when it has completed its work.

Subd. 2. **Executive director.** (a) The governor must appoint the initial executive director of the Cannabis Expungement Board. The executive director must be knowledgeable about expungement law and criminal justice. The executive director serves at the pleasure of the board in the unclassified service as an executive branch employee. Any vacancy shall be filled by the board.

(b) The executive director's salary is set in accordance with section 15A.0815, subdivision 3.

(c) The executive director may obtain office space and supplies and hire administrative staff necessary to carry out the board's official functions, including providing administrative support to the board and attending board meetings. Any additional staff serve in the classified service.

(d) At the direction of the board, the executive director may enter into interagency agreements with the Department of Corrections or any other agency to obtain material and personnel support necessary to carry out the board's mandates, policies, activities, and objectives.

Subd. 3. **Eligibility; cannabis offense.** (a) A person is eligible for an expungement or resentencing to a lesser offense if:

(1) the person was convicted of, or adjudication was stayed for, a violation of any of the following involving the sale or possession of marijuana or tetrahydrocannabinols:

(i) section 152.021, subdivision 1, clause (6);

(ii) section 152.021, subdivision 2, clause (6);

(iii) section 152.022, subdivision 1, clause (5), or clause (7), item (iii);

(iv) section 152.022, subdivision 2, clause (6);

(v) section 152.023, subdivision 1, clause (5);

(vi) section 152.023, subdivision 2, clause (5);

(vii) section 152.024, subdivision (4); or

(viii) section 152.025, subdivision 2, clause (1);

(2) the offense did not involve a dangerous weapon, the intentional infliction of bodily harm on another, an attempt to inflict bodily harm on another, or an act committed with the intent to cause fear in another of immediate bodily harm or death;

(3) the act on which the charge was based would either be a lesser offense or no longer be a crime after August 1, 2023; and

(4) the person did not appeal the conviction, any appeal was denied, or the deadline to file an appeal has expired.

(b) For purposes of this subdivision, a "lesser offense" means a nonfelony offense if the person was charged with a felony.

Subd. 4. **Bureau of Criminal Apprehension to identify eligible records.** (a) The Bureau of Criminal Apprehension shall identify convictions and sentences where adjudication was stayed that qualify for review under subdivision 3, paragraph (a), clause (1).

(b) The Bureau of Criminal Apprehension shall notify the Cannabis Expungement Board of:

(1) the name and date of birth of a person whose record is eligible for review; and

(2) the court file number of the eligible conviction or stay of adjudication.

(c) For the purposes of identifying background studies records that may be expunged or resentenced, the Bureau of Criminal Apprehension shall share the information provided to the Cannabis Expungement Board under paragraph (b) with the Department of Human Services. The Bureau of Criminal Apprehension and the Department of Human Services shall consult about the form and manner of information sharing.

Subd. 5. **Access to records.** Notwithstanding chapter 13 or any law to the contrary, the Cannabis Expungement Board shall have free access to records, including but not limited to all matters, files, documents, and papers incident to the arrest, indictment, information, trial, appeal, or dismissal and discharge that relate to a charge and conviction or stay of adjudication for sale or possession of a controlled substance held by law enforcement agencies, prosecuting authorities, and court administrators. The Cannabis Expungement Board may issue subpoenas for and compel the production of books, records, accounts, documents, and papers. If any person fails or refuses to produce any books, records, accounts, documents, or papers material in the matter under consideration after having been lawfully required by order or subpoena, any judge of the district court in any county of the state where the order or subpoena was made returnable, on application of the commissioner of management and budget or commissioner of administration, as the case may be, shall compel obedience or punish disobedience as for contempt, as in the case of disobedience of a similar order or subpoena issued by such court.

Subd. 6. **Meetings; anonymous identifier.** (a) The Cannabis Expungement Board shall hold meetings at least monthly and shall hold a meeting whenever the board takes formal action on a review of a conviction or stay of adjudication for an offense involving the sale or possession of marijuana or tetrahydrocannabinols. All board meetings shall be open to the public and subject to chapter 13D.

(b) Any victim of a crime being reviewed and any law enforcement agency may submit an oral or written statement at the meeting, giving a recommendation on whether a person's record should be expunged or the person should be resentenced to a lesser offense. The board must consider the victim's and the law enforcement agency's statement when making the board's decision.

(c) Section 13D.05 governs the board's treatment of not public data, as defined by section 13.02, subdivision 8a, discussed at open meetings of the board. Notwithstanding section 13.03, subdivision 11, the board shall assign an anonymous, unique identifier to each victim of a crime and person whose conviction or stay of adjudication the board reviews. The identifier shall be used in any discussion in a meeting open to the public and on any records available to the public to protect the identity of the person whose records are being considered.

Subd. 7. Review and determination. (a) The Cannabis Expungement Board shall review all available records to determine whether the conviction or stay of adjudication is eligible for an expungement or resentencing to a lesser offense. An expungement under this section is presumed to be in the public interest unless there is clear and convincing evidence that an expungement or resentencing to a lesser offense would create a risk to public safety.

(b) If the Cannabis Expungement Board determines that an expungement is in the public interest, the board shall determine whether a person's conviction should be vacated and charges should be dismissed.

(c) If the Cannabis Expungement Board determines that an expungement is in the public interest, the board shall determine whether the limitations under section 609A.03, subdivision 5a, apply.

(d) If the Cannabis Expungement Board determines that an expungement is in the public interest, the board shall determine whether the limitations under section 609A.03, subdivision 7a, paragraph (b), clause (5), apply.

(e) If the Cannabis Expungement Board determines that an expungement is not in the public interest, the board shall determine whether the person is eligible for resentencing to a lesser offense.

(f) In making a determination under this subdivision, the Cannabis Expungement Board shall consider:

(1) the nature and severity of the underlying crime, including but not limited to the total amount of marijuana or tetrahydrocannabinols possessed by the person and whether the offense involved a dangerous weapon, the intentional infliction of bodily harm on another, an attempt to inflict bodily harm on another, or an act committed with the intent to cause fear in another of immediate bodily harm or death;

(2) whether an expungement or resentencing the person a lesser offense would increase the risk, if any, the person poses to other individuals or society;

(3) if the person is under sentence, whether an expungement or resentencing to a lesser offense would result in the release of the person and whether release earlier than the date that the person would be released under the sentence currently being served would present a danger to the public or would be compatible with the welfare of society;

(4) aggravating or mitigating factors relating to the underlying crime, including the person's level of participation and the context and circumstances of the underlying crime;

(5) statements from victims and law enforcement, if any;

(6) if an expungement or resentencing the person to a lesser offense is considered, whether there is good cause to restore the person's right to possess firearms and ammunition;

(7) if an expungement is considered, whether an expunged record of a conviction or stay of adjudication may be opened for purposes of a background check required under section 122A.18, subdivision 8; and

(8) other factors deemed relevant by the Cannabis Expungement Board.

(g) In making a determination under this subdivision, the Cannabis Expungement Board shall not consider the impact the expungement would have on the offender based on any records held by the Department of Health or Human Services.

(h) The affirmative vote of three members is required for action taken at any meeting.

Subd. 8. **Identification of eligible misdemeanor and petty misdemeanor records.** The board shall identify violations of section 152.027, subdivisions 3 and 4, that were not automatically expunged pursuant to section 609A.055. Pursuant to subdivision 10, the board shall notify the judicial branch that any identified records are eligible for expungement.

Subd. 9. **Annual report.** Until the board completes its work, the board shall issue a report by January 15 of each year to the legislative committees and divisions with jurisdiction over public safety policy and finance on the board's work. The report shall contain summary data and must include:

(1) the total number of cases reviewed in the previous year;

(2) the total number of cases in which the board determined that an expungement is in the public interest;

(3) the total number of cases in which the board determined that resentencing to a lesser offense is appropriate, the original sentence in those cases, and the lesser offense recommended by the board;

(4) the total number of cases in which the board determined that no change to the original sentence was appropriate; and

(5) the total number of cases remaining to be reviewed.

Subd. 10. **Notice to judicial branch and offenders.** (a) The Cannabis Expungement Board shall identify any conviction or stay of adjudication that qualifies for an order of expungement or resentencing to a lesser offense and notify the judicial branch of:

(1) the name and date of birth of a person whose conviction or stay of adjudication is eligible for an order of expungement or resentencing to a lesser offense;

(2) the court file number of the eligible conviction or stay of adjudication;

(3) whether the person is eligible for an expungement;

(4) if the person is eligible for an expungement, whether the person's conviction should be vacated and charges should be dismissed;

(5) if the person is eligible for an expungement, whether there is good cause to restore the offender's right to possess firearms and ammunition;

(6) if the person is eligible for an expungement, whether the limitations under section 609A.03, subdivision 7a, paragraph (b), clause (5), apply; and

(7) if the person is eligible for resentencing to a lesser offense, the lesser sentence to be imposed.

(b) The Cannabis Expungement Board shall make a reasonable and good faith effort to notify any person whose conviction or stay of adjudication qualifies for an order of expungement that the offense qualifies and notice is being sent to the judicial branch. Notice sent pursuant to this paragraph shall inform the person that, following the order of expungement, any records of an arrest, conviction, or incarceration should not appear on any background check or study.

Subd. 11. **Data classification.** All data collected, created, received, maintained, or disseminated by the Cannabis Expungement Board in which each victim of a crime and person whose conviction or stay of adjudication that the Cannabis Expungement Board reviews is or can be identified as the subject of the data is classified as private data on individuals, as defined in section 13.02, subdivision 12.

Subd. 12. **Order of expungement.** (a) Upon receiving notice that an offense qualifies for expungement, the court shall issue an order sealing all records relating to an arrest, indictment or information, trial, verdict, or dismissal and discharge for an offense described in subdivision 3. The courts shall not order the Department of Health or Human Services to seal records under this section. If the Cannabis Expungement Board determined that the person's conviction should be vacated and charges should be dismissed, the order shall vacate and dismiss the charges.

(b) If the Cannabis Expungement Board determined that there is good cause to restore the person's right to possess firearms and ammunition, the court shall issue an order pursuant to section 609.165, subdivision 1d.

(c) If the Cannabis Expungement Board determined that an expunged record of a conviction or stay of adjudication may not be opened for purposes of a background check required under section 122A.18, subdivision 8, the court shall direct the order specifically to the Professional Educator Licensing and Standards Board.

(d) The court administrator shall send a copy of an expungement order issued under this section to each agency and jurisdiction whose records are affected by the terms of the order and send a letter to the last known address of the person whose offense has been expunged identifying each agency to which the order was sent.

(e) In consultation with the commissioner of human services, the court shall establish a schedule on which it shall provide the commissioner of human services a list identifying the name and court file number or, if no court file number is available, the citation number of each record for a person who received an expungement under this section.

(f) Data on the person whose offense has been expunged in a letter sent under this subdivision are private data on individuals as defined in section 13.02, subdivision 12.

Subd. 13. **Resentencing.** (a) If the Cannabis Expungement Board determined that a person is eligible for resentencing to a lesser offense and the person is currently under sentence, the court shall proceed as if the appellate court directed a reduction of the conviction to an offense of lesser degree pursuant to rule 28.02, subdivision 12, of the Rules of Criminal Procedure.

(b) If the Cannabis Expungement Board determined that a person is eligible for resentencing to a lesser offense and the person completed or has been discharged from the sentence, the court may issue an order amending the conviction to an offense of lesser degree without holding a hearing.

(c) If the Cannabis Expungement Board determined that there is good cause to restore the person's right to possess firearms and ammunition, the court shall, as necessary, issue an order pursuant to section 609.165, subdivision 1d.

(d) In consultation with the commissioner of human services, the court shall establish a schedule on which it shall provide the commissioner of human services a list identifying the name and court file number or, if no court file number is available, the citation number of each record for a person who was resentenced under this section.

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

Sec. 4. **PROCUREMENT.**

To the extent practicable, the commissioner of public safety must comply with the requirements of Minnesota Statutes, chapter 16C. The commissioner of administration may waive the application of any provision of Minnesota Statutes, chapter 16C, on a case by case basis if the commissioner of public safety demonstrates that full compliance with that chapter would be impractical given the effective date or other deadlines established by this act related to the responsibilities established under Minnesota Statutes, section 609A.055.

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

Sec. 5. **TRANSITION PERIOD.**

Beginning August 1, 2023, through March 1, 2024, the Department of Corrections must provide the Cannabis Expungement Board with administrative assistance, technical assistance, office space, and other assistance necessary for the board to carry out its duties under Minnesota Statutes, section 609A.06. The Cannabis Expungement Board shall reimburse the Department of Corrections for the services and space provided.

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

ARTICLE 6

MISCELLANEOUS PROVISIONS

Section 1. **[3.9224] MEDICAL CANNABIS; COMPACTS TO BE NEGOTIATED.**

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

(b) "Medical cannabis law" or "medical cannabis program" means the regulatory framework for cultivation, production, distribution, and sale of cannabis to qualifying patients for therapeutic use in the treatment of a qualifying condition.

(c) "Medical cannabis flower" means cannabis flower approved for sale under the medical cannabis law of a Minnesota Tribal government or under a compact entered into under this section.

(d) "Medical cannabis product" means a cannabis product approved for sale under the medical cannabis law of a Minnesota Tribal government or under a compact entered into under this section.

(e) "Medical cannabis business" means a medical cannabis cultivator, processor, or retailer.

(f) "Medical cannabis industry" means every item, product, person, process, action, business, or other thing or activity related to medical cannabis flower or medical cannabis products and subject to regulation under the law of a Minnesota Tribal government or under a compact entered into under this section.

(g) "Cannabis product" means any of the following:

(1) cannabis concentrate;

(2) a product infused with cannabinoids (whether artificially derived, or extracted or derived from cannabis plants or cannabis flower) including but not limited to tetrahydrocannabinol; or

(3) any other product that contains cannabis concentrate.

(h) "Minnesota Tribal governments" means the following federally recognized Indian Tribes located in Minnesota:

(1) Bois Forte Band;

(2) Fond Du Lac Band;

(3) Grand Portage Band;

(4) Leech Lake Band;

(5) Mille Lacs Band;

(6) White Earth Band;

(7) Red Lake Nation;

(8) Lower Sioux Indian Community;

(9) Prairie Island Indian Community;

(10) Shakopee Mdewakanton Sioux Community; and

(11) Upper Sioux Indian Community.

(i) "Tribal medical cannabis business" means a medical cannabis business licensed by a Minnesota Tribal government, including the business categories identified in paragraph (d), as well as any others that may be provided under the law of a Minnesota Tribal government.

(j) "Tribally regulated land" means:

(1) all land held in trust by the United States for the benefit of a Minnesota Tribal government ("trust land");

(2) all land held by a Minnesota Tribal government in restricted fee status; and

(3) all land within the exterior boundaries of the reservation of a Minnesota Tribal government that is subject to the civil regulatory jurisdiction of the Tribal government. For the purposes of this section, land that is subject to the civil regulatory jurisdiction of the Tribal government includes:

(i) trust land, or fee land held (including leased land) by the Tribe, entities organized under Tribal law, or individual Indians; and

(ii) land held (including leased land) by non-Indian entities or individuals who consent to the civil regulation of the Tribal government or are otherwise subject to such regulation under federal law.

Subd. 2. **Acknowledgment and purpose; negotiations authorized.** (a) The state of Minnesota acknowledges the sovereign right of Minnesota Tribal governments to regulate the medical cannabis industry and address other matters of cannabis regulation related to the internal affairs of Minnesota Tribal governments or otherwise within their jurisdiction, without regard to whether such Tribal government has entered a compact authorized by this section. The purpose of this section is to provide for the negotiation of compacts to proactively address jurisdictional issues related to the regulation of the medical cannabis industry. The legislature finds that these agreements will facilitate and promote a cooperative and mutually beneficial relationship between the state and the Tribes regarding the legalization of cannabis. Such cooperative agreements will enhance public health and safety, ensure a lawful and well-regulated medical cannabis market, encourage economic development, and provide fiscal benefits to both Indian Tribes and the state.

(b) The governor or his designee shall negotiate in good faith, and has the authority to execute and bind the state to, a compact with any Minnesota Tribal government wishing to enter into such a compact regulating medical cannabis flower and medical cannabis products.

Subd. 3. **Terms of compact; rights of parties.** (a) A compact agreed to under this section may address any issues related to the medical cannabis industry, including medical cannabis flower, medical cannabis products, extracts, concentrates, and artificially derived cannabinoids that affect the interest of both the state and Minnesota Tribal government or otherwise have an impact on Tribal-state relations. Indian Tribes are not required to enter into compacts pursuant to this section in order to: regulate the medical cannabis industry, or engage in medical cannabis businesses or activities on Tribally regulated land or participate as a licensee in the state's legal medical cannabis market.

(b) The state shall not, as a condition for entering into a compact under this section:

(1) require any Minnesota Tribal government to waive any right, privilege, or immunity based on their status as independent sovereigns;

(2) require that any revenue generated by a medical cannabis business licensed by a Minnesota Tribal government be subject to any state cannabis gross receipt taxes or state and local sales or use taxes on sales of cannabis;

(3) require any taxes collected by Minnesota Tribal governments to be shared in any manner with the state or any subdivisions thereof;

(4) require a Minnesota Tribal government to consent to state licensing of a medical cannabis business on the Tribally regulated land of the Minnesota Tribal government;

(5) require any Minnesota Tribal government or any medical cannabis business licensed by a Minnesota Tribal government pursuant to a compact agreed to under this section to comply with specific state law or regulations on Tribally regulated land; or

(6) impose, or attempt to impose, and shall not require or attempt to require any Indian Tribe to impose, any taxes, fees, assessments, and other charges related to the production, processing, sale, purchase, distribution, or possession of medical cannabis flower and medical cannabis products on Minnesota Tribal governments, or their members, on a reservation or Tribally regulated land.

(d) Compacts agreed to under this section may allow an exemption from any otherwise applicable tax for: (i) sales to a Minnesota Tribal government, a Tribal medical cannabis business, or Tribal members, of medical cannabis flower and cannabis products grown, produced, or processed as provided for in said compacts; or, (ii) for activities of Tribal medical cannabis businesses.

Subd. 4. **Civil and criminal immunities.** (a) Without limiting any immunity or exemption that may apply under federal law, the following acts, when performed by a Tribal medical cannabis business or an employee in the course of their employment for a Tribal medical cannabis business, pursuant to a compact entered into under this section, do not constitute a criminal or civil offense under state law:

(1) the cultivation of medical cannabis flower, and the extraction, processing, or manufacture of medical cannabis and artificially derived cannabinoid products, extracts, or concentrates;

(2) the possession, purchase, and receipt of medical cannabis seed, flower, and medical cannabis products that are properly packaged and labeled as authorized under a compact entered into pursuant to this section, and the sale, delivery, transport, or distribution of such products to a licensed cannabis business; and

(3) the delivery, distribution, and sale of medical cannabis seed, flower, and medical cannabis products as authorized under a compact entered into pursuant to this section and that takes place on or, originates from, the premises of a Tribal medical cannabis business on Tribally regulated land, to any person eligible to participate in a medical cannabis program.

(b) The following acts, when performed by a patron of a Tribal medical cannabis business do not constitute a criminal or civil offense under state law: the purchase, possession, or receipt of medical cannabis seed, flower, and medical cannabis products as authorized under a compact entered into pursuant to this section.

(c) Without limiting any immunity or exemption that may apply under federal law, actions by a Tribal medical cannabis business, a Tribal member, employee, or agent of a Minnesota Tribal government or Tribal medical cannabis business on Tribally regulated land pursuant to Tribal laws governing cannabis, or a compact entered into under this section, do not constitute a criminal or civil offense under state law.

(d) The following acts, when performed by a state-licensed medical cannabis business, or an employee of such business, and which would be permitted under the terms of the applicable medical

cannabis business license if undertaken with another state-licensed medical cannabis business, are permitted under the state license conditions when undertaken with a Tribal medical cannabis business and do not constitute a criminal or civil offense under state law: the possession, purchase, wholesale and retail sale, delivery, transport, distribution, and receipt of medical cannabis, seed, flower, and medical cannabis products that are properly packaged and labeled as authorized under a compact entered into pursuant to this section.

(e) Without limiting any immunity or exemption that may apply under federal law, the following acts, when performed by a Minnesota Tribal government, a Tribal medical cannabis business licensed by such Tribal government, or an employee of such Tribal government or Tribal medical cannabis business, regardless of whether the Minnesota Tribal government issuing such license has compacted with the state under this section, do not constitute a criminal or civil offense under state law: purchase, sale, receipt, or delivery (including delivery that involves transit through the state, outside a reservation), of medical cannabis flower, seed, and medical cannabis products from or to another Minnesota Tribal government or cannabis business licensed by such government.

(f) Notwithstanding any other provision of law, a state-licensed cannabis testing facility may provide cannabis testing services to a Tribal medical cannabis business, and the possession or transport of cannabis flower or cannabis products for such purpose by a Tribal cannabis business shall not constitute a criminal or civil offense under state law.

Subd. 5. **Publication.** The governor shall post any compact entered into under this section on a publicly accessible website.

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

Sec. 2. **[3.9228] ADULT-USE CANNABIS; COMPACTS TO BE NEGOTIATED.**

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

(b) "Adult-use cannabis flower" means cannabis flower approved for sale to adults under the law of a Minnesota Tribal government or under a compact entered under this section.

(c) "Adult-use cannabis product" means cannabis product approved for sale to adults under the law of a Minnesota Tribal government or under a compact entered under this section.

(d) "Cannabis business" means a cannabis cultivator, manufacturer, retailer, wholesaler, transporter, testing facility, microbusiness, mezzobusiness, event organizer, delivery service, or lower potency hemp edible manufacturer or retailer.

(e) "Cannabis industry" means every item, product, person, process, action, business, or other thing or activity related to cannabis flower or cannabis products and subject to regulation under the law of a Minnesota Tribal government or under a compact entered under this section.

(f) "Cannabis product" means any of the following:

(1) cannabis concentrate;

(2) a product infused with cannabinoids (whether artificially derived, or extracted or derived from cannabis plants or cannabis flower) including but not limited to tetrahydrocannabinol; or

(3) any other product that contains cannabis concentrate.

(g) "Minnesota Tribal governments" means the following federally recognized Indian Tribes located in Minnesota:

(1) Bois Forte Band;

(2) Fond Du Lac Band;

(3) Grand Portage Band;

(4) Leech Lake Band;

(5) Mille Lacs Band;

(6) White Earth Band;

(7) Red Lake Nation;

(8) Lower Sioux Indian Community;

(9) Prairie Island Indian Community;

(10) Shakopee Mdewakanton Sioux Community; and

(11) Upper Sioux Indian Community.

(h) "Tribal cannabis business" means a cannabis business licensed by a Minnesota Tribal government, including the business categories identified in paragraph (d), as well as any others that may be provided under the law of a Minnesota Tribal government.

(i) "Tribally regulated land" means:

(1) all land held in trust by the United States for the benefit of a Minnesota Tribal government ("trust land");

(2) all land held by a Minnesota Tribal government in restricted fee status; and

(3) all land within the exterior boundaries of the reservation of a Minnesota Tribal government that is subject to the civil regulatory jurisdiction of the Tribal government. For the purposes of this section, land that is subject to the civil regulatory jurisdiction of the Tribal government includes:

(i) trust land, or fee land held (including leased land) by the Tribe, entities organized under Tribal law, or individual Indians; and

(ii) land held (including leased land) by non-Indian entities or individuals who consent to the civil regulation of the Tribal government or are otherwise subject to such regulation under federal law.

Subd. 2. **Acknowledgment and purpose; negotiations authorized.** (a) The state of Minnesota acknowledges the sovereign right of Minnesota Tribal governments to regulate the cannabis industry and address other matters of cannabis regulation related to the internal affairs of Minnesota Tribal governments or otherwise within their jurisdiction, without regard to whether such Tribal government has entered a compact authorized by this section. The purpose of this section is to provide for the negotiation of compacts to proactively address jurisdictional issues related to the regulation of the cannabis industry. The legislature finds that these agreements will facilitate and promote a cooperative and mutually beneficial relationship between the state and the Tribes regarding the legalization of cannabis. Such cooperative agreements will enhance public health and safety, ensure a lawful and well-regulated cannabis market, encourage economic development, and provide fiscal benefits to both Indian Tribes and the state.

(b) The governor or his designee shall negotiate in good faith, and has the authority to execute and bind the state to, a compact with any Minnesota Tribal government wishing to enter into such compact regulating adult-use cannabis flower and adult-use cannabis products.

Subd. 3. **Terms of compact; rights of parties.** (a) A compact agreed to under this section may address any issues related to the cannabis industry including adult-use cannabis flower, adult-use cannabis products, extracts, concentrates, and artificially derived cannabinoids that affect the interest of both the state and Minnesota Tribal government or otherwise have an impact on Tribal-state relations. Indian Tribes are not required to enter into compacts pursuant to this section in order to: regulate the cannabis industry, or engage in cannabis businesses or activities on Tribally regulated lands; or participate as a licensee in the state's legal cannabis market.

(b) The state shall not, as a condition for entering into a compact under this section:

(1) require any Minnesota Tribal government to waive any right, privilege, or immunity based on their status as independent sovereigns;

(2) require that any revenue generated by cannabis businesses licensed by a Minnesota Tribal government be subject to any state cannabis gross receipt taxes imposed under section 295.81 or state and local sales or use taxes on sales of cannabis;

(3) require any taxes collected by Minnesota Tribal governments to be shared in any manner with the state or any subdivisions thereof;

(4) require a Minnesota Tribal government to consent to state licensing of cannabis businesses on the Tribally regulated land of the Minnesota Tribal government;

(5) require any Minnesota Tribal government, or any cannabis business licensed by a Minnesota Tribal government pursuant to a compact agreed to under this section, to comply with specific state law or regulations on Tribally regulated land; or

(6) impose, or attempt to impose, and shall not require or attempt to require any Indian Tribe to impose, any taxes, fees, assessments, and other charges related to the production, processing, sale, purchase, distribution, or possession of adult-use cannabis flower and adult-use cannabis products on Minnesota Tribal governments, or their members, on a reservation or Tribally regulated land.

(d) Compacts agreed to under this section may allow an exemption from any otherwise applicable tax for: (i) sales to a Minnesota Tribal government, a Tribal cannabis business, or Tribal members, of cannabis flower and adult use cannabis products grown, produced, or processed as provided for in said compacts; or, (ii) for activities of Tribal cannabis businesses.

Subd. 4. **Civil and criminal immunities.** (a) Without limiting any immunity or exemption that may apply under federal law, the following acts, when performed by a Tribal cannabis business or an employee in the course of their employment for a Tribal cannabis business, pursuant to a compact entered into under this section, do not constitute a criminal or civil offense under state law:

(1) the cultivation of cannabis flower, and the extraction, processing, or manufacture of adult-use cannabis and artificially derived cannabinoid products, extracts, or concentrates;

(2) the possession, purchase, and receipt of adult-use cannabis seed, flower, and adult-use cannabis products that are properly packaged and labeled as authorized under a compact entered into pursuant to this section, and the sale, delivery, transport, or distribution of such products to a licensed cannabis business; and

(3) the delivery, distribution, and sale of adult-use cannabis seed, flower, and adult-use cannabis products as authorized under a compact entered into pursuant to this section and that takes place on, or originates from, the premises of a Tribal cannabis business on Tribally regulated land, to any person 21 years of age or older.

(b) The following acts, when performed by a patron of a Tribal cannabis business do not constitute a criminal or civil offense under state law: the purchase, possession, or receipt of adult-use cannabis seed, flower, and adult-use cannabis products as authorized under a compact entered into pursuant to this section.

(c) Without limiting any immunity or exemption that may apply under federal law, actions by a Tribal cannabis business, a Tribal member, employee, or agent of a Minnesota Tribal government or Tribal cannabis business on Tribally regulated land pursuant to Tribal laws governing cannabis, or a compact entered into under this section, do not constitute a criminal or civil offense under state law.

(d) The following acts, when performed by a state-licensed cannabis business, or an employee of such business, and which would be permitted under the terms of the applicable cannabis business license if undertaken with another state-licensed cannabis business, are permitted under the state license conditions when undertaken with a Tribal cannabis business and do not constitute a criminal or civil offense under state law: the possession, purchase, wholesale and retail sale, delivery, transport, distribution, and receipt of adult-use cannabis, seed, flower, and adult-use cannabis products that are properly packaged and labeled as authorized under a compact entered into pursuant to this section.

(e) Without limiting any immunity or exemption that may apply under federal law, the following acts, when performed by a Minnesota Tribal government, a Tribal cannabis business licensed by such Tribal government, or an employee of such Tribal government or Tribal cannabis business, regardless of whether the Minnesota Tribal government issuing such license has compacted with the state under this section, do not constitute a criminal or civil offense under state law: purchase, sale, receipt, or delivery (including delivery that involves transit through the state, outside a

reservation), of adult-use cannabis flower, seed, or adult-use cannabis product from or to another Minnesota Tribal government or cannabis business licensed by such government.

(f) Notwithstanding any other provision of law, a state-licensed cannabis testing facility may provide cannabis testing services to a Tribal cannabis business, and the possession or transport of cannabis flower or cannabis products for such purpose by a Tribal cannabis business shall not constitute a criminal or civil offense under state law.

Subd. 5. **Publication.** The governor shall post any compact entered into under this section on a publicly accessible website.

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

Sec. 3. Minnesota Statutes 2022, section 13.411, is amended by adding a subdivision to read:

Subd. 12. **Cannabis businesses.** Data submitted to the Office of Cannabis Management for a cannabis business license or a hemp business license and data relating to investigations and disciplinary proceedings involving cannabis businesses and hemp businesses licensed by the Office of Cannabis Management are classified under section 342.20.

Sec. 4. Minnesota Statutes 2022, section 13.871, is amended by adding a subdivision to read:

Subd. 15. **Cannabis Expungement Board records.** Data collected, created, received, maintained, or disseminated by the Cannabis Expungement Board are classified under section 609A.06, subdivision 11.

Sec. 5. Minnesota Statutes 2022, section 18K.02, subdivision 5, is amended to read:

Subd. 5. **Processing.** "Processing" means rendering by refinement hemp plants or hemp plant parts from their natural or original state after harvest. Processing includes but is not limited to decortication, devitalization, chopping, crushing, extraction, and packaging. Processing does not include typical farm operations such as sorting, grading, baling, and harvesting. Processing does not include the production of artificially derived cannabinoids as defined in section 342.01, subdivision 6.

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

Sec. 6. Minnesota Statutes 2022, section 34A.01, subdivision 4, is amended to read:

Subd. 4. **Food.** "Food" means every ingredient used for, entering into the consumption of, or used or intended for use in the preparation of food, drink, confectionery, or condiment for humans or other animals, whether simple, mixed, or compound; and articles used as components of these ingredients, except that edible ~~cannabinoid~~ cannabis products, as defined in section ~~151.72, subdivision 1, paragraph (e)~~ 342.01, subdivision 20, lower-potency hemp edibles as defined in section 342.01, subdivision 50, and hemp-derived consumer products, as defined in section 342.01, subdivision 37, that are intended to be eaten or consumed as a beverage are not food.

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

Sec. 7. **[120B.215] EDUCATION ON CANNABIS USE AND SUBSTANCE USE.**

Subdivision 1. **Model program.** The commissioner of education, in consultation with the commissioners of health and human services, local district and school health education specialists, and other qualified experts, shall identify one or more model programs that may be used to educate middle school and high school students on the health effects on children and adolescents of cannabis use and substance use, including but not limited to the use of fentanyl or mixtures containing fentanyl, consistent with local standards as required in section 120B.021, subdivision 1, paragraph (a), clause (6), for elementary and secondary school students. The commissioner must publish a list of model programs that include written materials, resources, and training for instructors by June 1, 2025. A model program identified by the commissioner must be medically accurate, age and developmentally appropriate, culturally inclusive, and grounded in science, and must address:

(1) the physical and mental health effects of cannabis use and substance use by children, adolescents, and persons under 25 years of age, including effects on the developing brains of children, adolescents, and persons under 25 years of age;

(2) unsafe or unhealthy behaviors associated with cannabis use and substance use;

(3) signs of substance use disorders;

(4) treatment options; and

(5) healthy coping strategies for children and adolescents.

Subd. 2. **School programs.** (a) Starting in the 2026-2027 school year, a school district or charter school must implement a comprehensive education program on cannabis use and substance use, including but not limited to the use of fentanyl or mixtures containing fentanyl, for students in middle school and high school. The program must include instruction on the topics listed in subdivision 1 and must:

(1) respect community values and encourage students to communicate with parents, guardians, and other trusted adults about cannabis use and substance use, including but not limited to the use of fentanyl or mixtures containing fentanyl; and

(2) refer students to local resources where students may obtain medically accurate information about cannabis use and substance use, including but not limited to the use of fentanyl or mixtures containing fentanyl, and treatment for a substance use disorder.

(b) District efforts to develop, implement, or improve instruction or curriculum as a result of the provisions of this section must be consistent with sections 120B.10 and 120B.11.

Subd. 3. **Parental review.** Notwithstanding any law to the contrary, each school district shall have a procedure for a parent, a guardian, or an adult student 18 years of age or older to review the content of the instructional materials to be provided to a minor child or to an adult student pursuant to this section. The district or charter school must allow a parent or adult student to opt out of instruction under this section with no academic or other penalty for the student and must inform parents and adult students of this right to opt out.

Subd. 4. **Youth council.** A school district or charter school may establish one or more youth councils in which student members of the council receive education and training on cannabis use

and substance use, including but not limited to the use of fentanyl or mixtures containing fentanyl, and provide peer-to-peer education on these topics.

Sec. 8. **[144.196] CANNABIS DATA COLLECTION AND BIENNIAL REPORTS.**

Subdivision 1. **General.** The commissioner of health shall engage in research and data collection activities to measure the prevalence of cannabis flower use and the use of cannabis products, lower-potency hemp edibles, and hemp-derived consumer products in the state by persons under 21 years of age and by persons 21 years of age or older, and the trends in hospital-treated cannabis poisoning and adverse events. In order to collect data, the commissioner may modify existing data collection tools used by the department or other state agencies or may establish one or more new data collection tools.

Subd. 2. **Statewide assessment; baseline data; updates.** (a) The commissioner shall conduct a statewide assessment to establish a baseline for the prevalence of cannabis flower use and the use of cannabis products, lower-potency hemp edibles, and hemp-derived consumer products in the state, and the trends in hospital-treated cannabis poisoning and adverse events broken out by:

(1) the current age of the customer;

(2) the age at which the customer began consuming cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(3) whether the customer consumes cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products, and by type of product that the customer consumes, if applicable;

(4) the amount of cannabis flower, cannabis product, lower-potency hemp edible, or hemp-derived consumer product typically consumed at one time;

(5) the typical frequency of consumption; and

(6) other criteria specified by the commissioner.

(b) The initial assessment must be completed by July 1, 2024. The commissioner shall collect updated data under this subdivision at least every two years thereafter.

Subd. 3. **Reports.** Beginning January 1, 2025, and January 1 every two years thereafter, the commissioner shall issue a public report on the prevalence of cannabis flower use and the use of cannabis products, lower-potency hemp edibles, and hemp-derived consumer products in the state by persons under age 21 and by persons age 21 or older. The report may include recommendations from the commissioner for changes to this chapter that would discourage or prevent personal use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by persons under age 21, that would discourage personal use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by pregnant or breastfeeding individuals, that would prevent access to cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by young children, or that would otherwise promote public health.

Sec. 9. [144.197] CANNABIS EDUCATION PROGRAMS.

Subdivision 1. **Youth education.** The commissioner of health, in consultation with the commissioners of human services and education and in collaboration with local health departments, shall conduct a long-term, coordinated education program to raise public awareness about and address the top three adverse health effects, as determined by the commissioner, associated with the use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by persons under age 25. In conducting this education program, the commissioner shall engage and consult with youth around the state on program content and on methods to effectively disseminate program information to youth around the state.

Subd. 2. **Education for pregnant and breastfeeding individuals; individuals who may become pregnant.** The commissioner of health, in consultation with the commissioners of human services and education, shall conduct a long-term, coordinated program to educate pregnant individuals, breastfeeding individuals, and individuals who may become pregnant on the adverse health effects of prenatal exposure to cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products and on the adverse health effects experienced by infants and children who are exposed to cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in breast milk, from secondhand smoke, or by ingesting cannabinoid products. This education program must also educate individuals on what constitutes a substance use disorder, signs of a substance use disorder, and treatment options for persons with a substance use disorder.

Subd. 3. **Home visiting programs.** The commissioner of health shall provide training, technical assistance, and education materials to local public health home visiting programs and Tribal home visiting programs and child welfare workers regarding the safe and unsafe use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in homes with infants and young children. Training, technical assistance, and education materials shall address substance use, the signs of a substance use disorder, treatment options for persons with a substance use disorder, the dangers of driving under the influence of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products, how to safely consume cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in homes with infants and young children, and how to prevent infants and young children from being exposed to cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by ingesting cannabinoid products or through secondhand smoke.

Subd. 4. **Local and Tribal health departments.** The commissioner of health shall distribute grants to local health departments and Tribal health departments for these departments to create and disseminate educational materials on cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products and to provide safe use and prevention training, education, technical assistance, and community engagement regarding cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products.

Sec. 10. Minnesota Statutes 2022, section 144.99, subdivision 1, is amended to read:

Subdivision 1. **Remedies available.** The provisions of chapters 103I and 157 and sections 115.71 to 115.77; 144.12, subdivision 1, paragraphs (1), (2), (5), (6), (10), (12), (13), (14), and (15); 144.1201 to 144.1204; 144.121; 144.1215; 144.1222; 144.35; 144.381 to 144.385; 144.411 to

144.417; 144.495; 144.71 to 144.74; 144.9501 to 144.9512; 144.97 to 144.98; 144.992; ~~152.22 to 152.37~~; 326.70 to 326.785; 327.10 to 327.131; and 327.14 to 327.28 and all rules, orders, stipulation agreements, settlements, compliance agreements, licenses, registrations, certificates, and permits adopted or issued by the department or under any other law now in force or later enacted for the preservation of public health may, in addition to provisions in other statutes, be enforced under this section.

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

Sec. 11. Minnesota Statutes 2022, section 144A.4791, subdivision 14, is amended to read:

Subd. 14. **Application of other law.** Home care providers may exercise the authority and are subject to the protections in section ~~152.34~~ 342.57, subdivision 2.

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

Sec. 12. Minnesota Statutes 2022, section 152.01, subdivision 9, is amended to read:

Subd. 9. **Marijuana.** (a) "Marijuana" means all parts of the plant of any species of the genus Cannabis, including all agronomical varieties, whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds or resin, but shall:

(1) cannabis plants;

(2) cannabis flower;

(3) cannabis concentrate;

(4) cannabis products;

(5) cannabis seed; or

(6) a mixture containing any tetrahydrocannabinol or artificially derived cannabinoid in a concentration that exceeds 0.3 percent as measured by weight.

(b) Marijuana does not include:

(1) the mature stalks of such a cannabis plant;

(2) fiber from such stalks;

(3) any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks, except the resin extracted therefrom, fiber, oil, or cake;

(4) oil or cake made from the seeds of such a cannabis plant, any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks, except the resin extracted therefrom, fiber, oil, or cake, or;

(5) the sterilized seed of such a cannabis plant which is incapable of germination. Marijuana does not include; or

(6) industrial hemp as defined in section ~~152.22, subdivision 5a~~ 18K.02, subdivision 3.

Sec. 13. Minnesota Statutes 2022, section 152.22, is amended by adding a subdivision to read:

Subd. 5d. **Indian lands.** "Indian lands" means all lands within the limits of any Indian reservation within the boundaries of Minnesota and any lands within the boundaries of Minnesota, title to which are either held in trust by the United States or over which an Indian Tribe exercises governmental power.

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

Sec. 14. Minnesota Statutes 2022, section 152.22, is amended by adding a subdivision to read:

Subd. 15. **Tribal medical cannabis board.** "Tribal medical cannabis board" means an agency established by each federally recognized Tribal government and duly authorized by that Tribe's governing body to perform regulatory oversight and monitor compliance with a Tribal medical cannabis program and applicable regulations.

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

Sec. 15. Minnesota Statutes 2022, section 152.22, is amended by adding a subdivision to read:

Subd. 16. **Tribal medical cannabis program.** "Tribal medical cannabis program" means a program established by a federally recognized Tribal government within the boundaries of Minnesota regarding the commercial production, processing, sale or distribution, and possession of medical cannabis and medical cannabis products.

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

Sec. 16. Minnesota Statutes 2022, section 152.22, is amended by adding a subdivision to read:

Subd. 17. **Tribal medical cannabis program manufacturer.** "Tribal medical cannabis program manufacturer" means an entity designated by a Tribal medical cannabis board within the boundaries of Minnesota or a federally recognized Tribal government within the boundaries of Minnesota to engage in production, processing, and sale or distribution of medical cannabis and medical cannabis products under that Tribe's Tribal medical cannabis program.

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

Sec. 17. Minnesota Statutes 2022, section 152.22, is amended by adding a subdivision to read:

Subd. 18. **Tribal medical cannabis program patient.** "Tribal medical cannabis program patient" means a person who possesses a valid registration verification card or equivalent document that is issued under the laws or regulations of a Tribal Nation within the boundaries of Minnesota and that verifies that the person is enrolled in or authorized to participate in that Tribal Nation's Tribal medical cannabis program.

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

Sec. 18. Minnesota Statutes 2022, section 152.29, subdivision 4, is amended to read:

Subd. 4. **Report.** (a) Each manufacturer shall report to the commissioner on a monthly basis the following information on each individual patient for the month prior to the report:

- (1) the amount and dosages of medical cannabis distributed;
- (2) the chemical composition of the medical cannabis; and
- (3) the tracking number assigned to any medical cannabis distributed.

(b) For transactions involving Tribal medical cannabis program patients, each manufacturer shall report to the commissioner on a weekly basis the following information on each individual Tribal medical cannabis program patient for the week prior to the report:

(1) the name of the Tribal medical cannabis program in which the Tribal medical cannabis program patient is enrolled;

- (2) the amount and dosages of medical cannabis distributed;
- (3) the chemical composition of the medical cannabis distributed; and
- (4) the tracking number assigned to the medical cannabis distributed.

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

Sec. 19. Minnesota Statutes 2022, section 152.29, is amended by adding a subdivision to read:

Subd. 5. **Distribution to Tribal medical cannabis program patient.** (a) A manufacturer may distribute medical cannabis in accordance with subdivisions 1 to 4 to a Tribal medical cannabis program patient.

(b) Prior to distribution, the Tribal medical cannabis program patient must provide to the manufacturer:

(1) a valid medical cannabis registration verification card or equivalent document issued by a Tribal medical cannabis program that indicates that the Tribal medical cannabis program patient is authorized to use medical cannabis on Indian lands over which the Tribe has jurisdiction; and

(2) a valid photographic identification card issued by the Tribal medical cannabis program, a valid driver's license, or a valid state identification card.

(c) A manufacturer shall distribute medical cannabis to a Tribal medical cannabis program patient only in a form allowed under section 152.22, subdivision 6.

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

Sec. 20. **[152.291] TRIBAL MEDICAL CANNABIS PROGRAM MANUFACTURER TRANSPORTATION.**

(a) A Tribal medical cannabis program manufacturer may transport medical cannabis to testing laboratories in the state and to other Indian lands.

(b) A Tribal medical cannabis program manufacturer must staff a motor vehicle used to transport medical cannabis with at least two employees of the manufacturer. Each employee in the transport vehicle must carry identification specifying that the employee is an employee of the manufacturer, and one employee in the transport vehicle must carry a detailed transportation manifest that includes the place and time of departure, the address of the destination, and a description and count of the medical cannabis being transported.

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

Sec. 21. Minnesota Statutes 2022, section 152.30, is amended to read:

152.30 PATIENT DUTIES.

(a) A patient shall apply to the commissioner for enrollment in the registry program by submitting an application as required in section 152.27 and an annual registration fee as determined under section 152.35.

(b) As a condition of continued enrollment, patients shall agree to:

(1) continue to receive regularly scheduled treatment for their qualifying medical condition from their health care practitioner; and

(2) report changes in their qualifying medical condition to their health care practitioner.

(c) A patient shall only receive medical cannabis from a registered manufacturer or Tribal medical cannabis program but is not required to receive medical cannabis products from only a registered manufacturer or Tribal medical cannabis program.

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

Sec. 22. Minnesota Statutes 2022, section 152.32, is amended to read:

152.32 PROTECTIONS FOR REGISTRY PROGRAM OR TRIBAL MEDICAL CANNABIS PROGRAM PARTICIPATION.

Subdivision 1. **Presumption.** (a) There is a presumption that a patient enrolled in the registry program under sections 152.22 to 152.37 or a Tribal medical cannabis program patient is engaged in the authorized use of medical cannabis.

(b) The presumption may be rebutted by evidence that:

(1) a patient's conduct related to use of medical cannabis was not for the purpose of treating or alleviating the patient's qualifying medical condition or symptoms associated with the patient's qualifying medical condition; or

(2) a Tribal medical cannabis program patient's use of medical cannabis was not for a purpose authorized by the Tribal medical cannabis program.

Subd. 2. **Criminal and civil protections.** (a) Subject to section 152.23, the following are not violations under this chapter:

(1) use or possession of medical cannabis or medical cannabis products by a patient enrolled in the registry program, ~~or~~ possession by a registered designated caregiver or the parent, legal guardian, or spouse of a patient if the parent, legal guardian, or spouse is listed on the registry verification; or use or possession of medical cannabis or medical cannabis products by a Tribal medical cannabis program patient;

(2) possession, dosage determination, or sale of medical cannabis or medical cannabis products by a medical cannabis manufacturer, employees of a manufacturer, a Tribal medical cannabis program manufacturer, employees of a Tribal medical cannabis program manufacturer, a laboratory conducting testing on medical cannabis, or employees of the laboratory; and

(3) possession of medical cannabis or medical cannabis products by any person while carrying out the duties required under sections 152.22 to 152.37.

(b) Medical cannabis obtained and distributed pursuant to sections 152.22 to 152.37 and associated property is not subject to forfeiture under sections 609.531 to 609.5316.

(c) The commissioner, members of a Tribal medical cannabis board, the commissioner's or Tribal medical cannabis board's staff, the commissioner's or Tribal medical cannabis board's agents or contractors, and any health care practitioner are not subject to any civil or disciplinary penalties by the Board of Medical Practice, the Board of Nursing, or by any business, occupational, or professional licensing board or entity, solely for ~~the~~ participation in the registry program under sections 152.22 to 152.37 or in a Tribal medical cannabis program. A pharmacist licensed under chapter 151 is not subject to any civil or disciplinary penalties by the Board of Pharmacy when acting in accordance with the provisions of sections 152.22 to 152.37. Nothing in this section affects a professional licensing board from taking action in response to violations of any other section of law.

(d) Notwithstanding any law to the contrary, the commissioner, the governor of Minnesota, or an employee of any state agency may not be held civilly or criminally liable for any injury, loss of property, personal injury, or death caused by any act or omission while acting within the scope of office or employment under sections 152.22 to 152.37.

(e) Federal, state, and local law enforcement authorities are prohibited from accessing the patient registry under sections 152.22 to 152.37 except when acting pursuant to a valid search warrant.

(f) Notwithstanding any law to the contrary, neither the commissioner nor a public employee may release data or information about an individual contained in any report, document, or registry created under sections 152.22 to 152.37 or any information obtained about a patient participating in the program, except as provided in sections 152.22 to 152.37.

(g) No information contained in a report, document, or registry or obtained from a patient under sections 152.22 to 152.37 or from a Tribal medical cannabis program patient may be admitted as evidence in a criminal proceeding unless independently obtained or in connection with a proceeding involving a violation of sections 152.22 to 152.37.

(h) Notwithstanding section 13.09, any person who violates paragraph (e) or (f) is guilty of a gross misdemeanor.

(i) An attorney may not be subject to disciplinary action by the Minnesota Supreme Court, a Tribal court, or the professional responsibility board for providing legal assistance to prospective or registered manufacturers or others related to activity that is no longer subject to criminal penalties under state law pursuant to sections 152.22 to 152.37, or for providing legal assistance to a Tribal medical cannabis program or a Tribal medical cannabis program manufacturer.

~~(j) Possession of a registry verification or application for enrollment in the program by a person entitled to possess or apply for enrollment in the registry program does~~ The following do not constitute probable cause or reasonable suspicion, ~~nor~~ and shall it not be used to support a search of the person or property of the person possessing or applying for the registry verification or equivalent, or otherwise subject the person or property of the person to inspection by any governmental agency:

(1) possession of a registry verification or application for enrollment in the registry program by a person entitled to possess a registry verification or apply for enrollment in the registry program;
or

(2) possession of a verification or equivalent issued by a Tribal medical cannabis program or application for enrollment in a Tribal medical cannabis program by a person entitled to possess such a verification or application.

Subd. 3. **Discrimination prohibited.** (a) No school or landlord may refuse to enroll or lease to and may not otherwise penalize a person solely for the person's status as a patient enrolled in the registry program under sections 152.22 to 152.37 or for the person's status as a Tribal medical cannabis program patient, unless failing to do so would violate federal law or regulations or cause the school or landlord to lose a monetary or licensing-related benefit under federal law or regulations.

(b) For the purposes of medical care, including organ transplants, a registry program enrollee's use of medical cannabis under sections 152.22 to 152.37, or a Tribal medical cannabis program patient's use of medical cannabis as authorized by the Tribal medical cannabis program, is considered the equivalent of the authorized use of any other medication used at the discretion of a physician, advanced practice registered nurse, or physician assistant and does not constitute the use of an illicit substance or otherwise disqualify a patient from needed medical care.

(c) Unless a failure to do so would violate federal law or regulations or cause an employer to lose a monetary or licensing-related benefit under federal law or regulations, an employer may not discriminate against a person in hiring, termination, or any term or condition of employment, or otherwise penalize a person, if the discrimination is based upon ~~either~~ any of the following:

(1) the person's status as a patient enrolled in the registry program under sections 152.22 to 152.37; ~~or~~

(2) the person's status as a Tribal medical cannabis program patient; or

~~(2)~~ (3) a patient's positive drug test for cannabis components or metabolites, unless the patient used, possessed, or was impaired by medical cannabis on the premises of the place of employment or during the hours of employment.

(d) An employee who is required to undergo employer drug testing pursuant to section 181.953 may present verification of enrollment in the patient registry or of enrollment in a Tribal medical cannabis program as part of the employee's explanation under section 181.953, subdivision 6.

(e) A person shall not be denied custody of a minor child or visitation rights or parenting time with a minor child solely based on the person's status as a patient enrolled in the registry program under sections 152.22 to 152.37, or on the person's status as a Tribal medical cannabis program patient. There shall be no presumption of neglect or child endangerment for conduct allowed under sections 152.22 to 152.37 or under a Tribal medical cannabis program, unless the person's behavior is such that it creates an unreasonable danger to the safety of the minor as established by clear and convincing evidence.

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

Sec. 23. Minnesota Statutes 2022, section 152.33, subdivision 1, is amended to read:

Subdivision 1. **Intentional diversion; criminal penalty.** In addition to any other applicable penalty in law, a manufacturer or an agent of a manufacturer who intentionally transfers medical cannabis to a person other than another registered manufacturer, a patient, a Tribal medical cannabis program patient, a registered designated caregiver or, if listed on the registry verification, a parent, legal guardian, or spouse of a patient is guilty of a felony punishable by imprisonment for not more than two years or by payment of a fine of not more than \$3,000, or both. A person convicted under this subdivision may not continue to be affiliated with the manufacturer and is disqualified from further participation under sections 152.22 to 152.37.

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

Sec. 24. Minnesota Statutes 2022, section 152.35, is amended to read:

152.35 FEES; DEPOSIT OF REVENUE.

~~(a) The commissioner shall collect an enrollment fee of \$200 from patients enrolled under this section. If the patient provides evidence of receiving Social Security disability insurance (SSDI), Supplemental Security Income (SSI), veterans disability, or railroad disability payments, or being enrolled in medical assistance or MinnesotaCare, then the fee shall be \$50. For purposes of this section:~~

~~(1) a patient is considered to receive SSDI if the patient was receiving SSDI at the time the patient was transitioned to retirement benefits by the United States Social Security Administration; and~~

~~(2) veterans disability payments include VA dependency and indemnity compensation.~~

~~Unless a patient provides evidence of receiving payments from or participating in one of the programs specifically listed in this paragraph, the commissioner of health must collect the \$200 enrollment fee from a patient to enroll the patient in the registry program. The fees shall be payable annually and are due on the anniversary date of the patient's enrollment. The fee amount shall be deposited in the state treasury and credited to the state government special revenue fund.~~

~~(b)~~ (a) The commissioner shall collect an application fee of \$20,000 from each entity submitting an application for registration as a medical cannabis manufacturer. Revenue from the fee shall be deposited in the state treasury and credited to the state government special revenue fund.

~~(e)~~ (b) The commissioner shall establish and collect an annual fee from a medical cannabis manufacturer equal to the cost of regulating and inspecting the manufacturer in that year. Revenue from the fee amount shall be deposited in the state treasury and credited to the state government special revenue fund.

~~(d)~~ (c) A medical cannabis manufacturer may charge patients enrolled in the registry program a reasonable fee for costs associated with the operations of the manufacturer. The manufacturer may establish a sliding scale of patient fees based upon a patient's household income and may accept private donations to reduce patient fees.

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

Sec. 25. Minnesota Statutes 2022, section 175.45, subdivision 1, is amended to read:

Subdivision 1. **Duties; goal.** The commissioner of labor and industry shall convene industry representatives, identify occupational competency standards, and provide technical assistance to develop dual-training programs. The competency standards shall be identified for employment in occupations in advanced manufacturing, health care services, information technology, ~~and~~ agriculture, and the legal cannabis industry. Competency standards are not rules and are exempt from the rulemaking provisions of chapter 14, and the provisions in section 14.386 concerning exempt rules do not apply.

Sec. 26. Minnesota Statutes 2022, section 181.938, subdivision 2, is amended to read:

Subd. 2. **Prohibited practice.** (a) An employer may not refuse to hire a job applicant or discipline or discharge an employee because the applicant or employee engages in or has engaged in the use or enjoyment of lawful consumable products, if the use or enjoyment takes place off the premises of the employer during nonworking hours. For purposes of this section, "lawful consumable products" means products whose use or enjoyment is lawful and which are consumed during use or enjoyment, and includes food, alcoholic or nonalcoholic beverages, ~~and~~ tobacco, cannabis flower, as defined in section 342.01, subdivision 16, cannabis products, as defined in section 342.01, subdivision 20, lower-potency hemp edibles as defined in section 342.01, subdivision 50, and hemp-derived consumer products as defined in section 342.01, subdivision 37.

(b) Cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products are lawful consumable products for the purpose of Minnesota law, regardless of whether federal or other state law considers cannabis use, possession, impairment, sale, or transfer to be unlawful. Nothing in this section shall be construed to limit an employer's ability to discipline or discharge an employee for cannabis flower, cannabis product, lower-potency hemp edible, or hemp-derived consumer product use, possession, impairment, sale, or transfer during working hours, on work premises, or while operating an employer's vehicle, machinery, or equipment, or if a failure to do so would violate federal or state law or regulations or cause an employer to lose a monetary or licensing-related benefit under federal law or regulations.

Sec. 27. Minnesota Statutes 2022, section 181.950, subdivision 2, is amended to read:

Subd. 2. **Confirmatory test; confirmatory retest.** "Confirmatory test" and "confirmatory retest" mean a drug or alcohol test or cannabis test that uses a method of analysis allowed under one of the programs listed in section 181.953, subdivision 1.

Sec. 28. Minnesota Statutes 2022, section 181.950, subdivision 4, is amended to read:

Subd. 4. **Drug.** "Drug" means a controlled substance as defined in section 152.01, subdivision 4, but does not include marijuana, tetrahydrocannabinols, cannabis flower as defined in section 342.01, subdivision 16, cannabis products as defined in section 342.01, subdivision 20, lower-potency hemp edibles as defined in section 342.01, subdivision 50, and hemp-derived consumer products as defined in section 342.01, subdivision 37.

Sec. 29. Minnesota Statutes 2022, section 181.950, subdivision 5, is amended to read:

Subd. 5. **Drug and alcohol testing.** "Drug and alcohol testing," "drug or alcohol testing," and "drug or alcohol test" mean analysis of a body component sample according to the standards established under one of the programs listed in section 181.953, subdivision 1, for the purpose of measuring the presence or absence of drugs, alcohol, or their metabolites in the sample tested. "Drug and alcohol testing," "drug or alcohol testing," and "drug or alcohol test" do not include cannabis or cannabis testing, unless stated otherwise.

Sec. 30. Minnesota Statutes 2022, section 181.950, is amended by adding a subdivision to read:

Subd. 5a. **Cannabis testing.** "Cannabis testing" means the analysis of a body component sample according to the standards established under one of the programs listed in section 181.953, subdivision 1, for the purpose of measuring the presence or absence of cannabis flower, as defined in section 342.01, subdivision 16, cannabis products, as defined in section 342.01, subdivision 20, lower-potency hemp edibles as defined in section 342.01, subdivision 50, hemp-derived consumer products as defined in section 342.01, subdivision 37, or cannabis metabolites in the sample tested. The definitions in this section apply to cannabis testing unless stated otherwise.

Sec. 31. Minnesota Statutes 2022, section 181.950, subdivision 8, is amended to read:

Subd. 8. **Initial screening test.** "Initial screening test" means a drug or alcohol test or cannabis test which uses a method of analysis under one of the programs listed in section 181.953, subdivision 1.

Sec. 32. Minnesota Statutes 2022, section 181.950, subdivision 13, is amended to read:

Subd. 13. **Safety-sensitive position.** "Safety-sensitive position" means a job, including any supervisory or management position, in which an impairment caused by drug ~~or~~ alcohol, or cannabis usage would threaten the health or safety of any person.

Sec. 33. Minnesota Statutes 2022, section 181.951, subdivision 4, is amended to read:

Subd. 4. **Random testing.** An employer may request or require employees to undergo cannabis testing or drug and alcohol testing on a random selection basis only if (1) they are employed in safety-sensitive positions, or (2) they are employed as professional athletes if the professional athlete

is subject to a collective bargaining agreement permitting random testing but only to the extent consistent with the collective bargaining agreement.

Sec. 34. Minnesota Statutes 2022, section 181.951, subdivision 5, is amended to read:

Subd. 5. **Reasonable suspicion testing.** An employer may request or require an employee to undergo cannabis testing and drug and alcohol testing if the employer has a reasonable suspicion that the employee:

(1) is under the influence of drugs or alcohol;

(2) has violated the employer's written work rules prohibiting the use, possession, sale, or transfer of drugs or alcohol, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products while the employee is working or while the employee is on the employer's premises or operating the employer's vehicle, machinery, or equipment, provided the work rules are in writing and contained in the employer's written cannabis testing or drug and alcohol testing policy;

(3) has sustained a personal injury, as that term is defined in section 176.011, subdivision 16, or has caused another employee to sustain a personal injury; or

(4) has caused a work-related accident or was operating or helping to operate machinery, equipment, or vehicles involved in a work-related accident.

Sec. 35. Minnesota Statutes 2022, section 181.951, subdivision 6, is amended to read:

Subd. 6. **Treatment program testing.** An employer may request or require an employee to undergo cannabis testing and drug and alcohol testing if the employee has been referred by the employer for substance use disorder treatment or evaluation or is participating in a substance use disorder treatment program under an employee benefit plan, in which case the employee may be requested or required to undergo cannabis testing and drug or alcohol testing without prior notice during the evaluation or treatment period and for a period of up to two years following completion of any prescribed substance use disorder treatment program.

Sec. 36. Minnesota Statutes 2022, section 181.951, is amended by adding a subdivision to read:

Subd. 8. **Limitations on cannabis testing.** (a) An employer must not request or require a job applicant to undergo cannabis testing solely for the purpose of determining the presence or absence of cannabis as a condition of employment unless otherwise required by state or federal law.

(b) Unless otherwise required by state or federal law, an employer must not refuse to hire a job applicant solely because the job applicant submits to a cannabis test or a drug and alcohol test authorized by this section and the results of the test indicate the presence of cannabis.

(c) An employer must not request or require an employee or job applicant to undergo cannabis testing on an arbitrary or capricious basis.

(d) Cannabis testing authorized under paragraph (d) must comply with the safeguards for testing employees provided in sections 181.953 and 181.954.

Sec. 37. Minnesota Statutes 2022, section 181.951, is amended by adding a subdivision to read:

Subd. 9. **Cannabis testing exceptions.** For the following positions, cannabis and its metabolites are considered a drug and subject to the drug and alcohol testing provisions in sections 181.950 to 181.957:

(1) a safety-sensitive position, as defined in section 181.950, subdivision 13;

(2) a peace officer position, as defined in section 626.84, subdivision 1;

(3) a firefighter position, as defined in section 299N.01, subdivision 3;

(4) a position requiring face-to-face care, training, education, supervision, counseling, consultation, or medical assistance to:

(i) children;

(ii) vulnerable adults, as defined in section 626.5572, subdivision 21; or

(iii) patients who receive health care services from a provider for the treatment, examination, or emergency care of a medical, psychiatric, or mental condition;

(5) a position requiring a commercial driver's license or requiring an employee to operate a motor vehicle for which state or federal law requires drug or alcohol testing of a job applicant or an employee;

(6) a position of employment funded by a federal grant; or

(7) any other position for which state or federal law requires testing of a job applicant or an employee for cannabis.

Sec. 38. Minnesota Statutes 2022, section 181.952, is amended by adding a subdivision to read:

Subd. 3. **Cannabis policy.** (a) Unless otherwise provided by state or federal law, an employer is not required to permit or accommodate cannabis flower, cannabis product, lower-potency hemp edible, or hemp-derived consumer product use, possession, impairment, sale, or transfer while an employee is working or while an employee is on the employer's premises or operating the employer's vehicle, machinery, or equipment.

(b) An employer may only enact and enforce written work rules prohibiting cannabis flower, cannabis product, lower-potency hemp edible, and hemp-derived consumer product use, possession, impairment, sale, or transfer while an employee, is working or while an employee is on the employer's premises or operating the employer's vehicle, machinery, or equipment in a written policy that contains the minimum information required by this section.

Sec. 39. Minnesota Statutes 2022, section 181.953, is amended to read:

181.953 RELIABILITY AND FAIRNESS SAFEGUARDS.

Subdivision 1. **Use of licensed, accredited, or certified laboratory required.** (a) An employer who requests or requires an employee or job applicant to undergo drug or alcohol testing or cannabis

testing shall use the services of a testing laboratory that meets one of the following criteria for drug testing:

(1) is certified by the National Institute on Drug Abuse as meeting the mandatory guidelines published at 53 Federal Register 11970 to 11989, April 11, 1988;

(2) is accredited by the College of American Pathologists, 325 Waukegan Road, Northfield, Illinois, 60093-2750, under the forensic urine drug testing laboratory program; or

(3) is licensed to test for drugs by the state of New York, Department of Health, under Public Health Law, article 5, title V, and rules adopted under that law.

(b) For alcohol testing, the laboratory must either be:

(1) licensed to test for drugs and alcohol by the state of New York, Department of Health, under Public Health Law, article 5, title V, and the rules adopted under that law; or

(2) accredited by the College of American Pathologists, 325 Waukegan Road, Northfield, Illinois, 60093-2750, in the laboratory accreditation program.

Subd. 3. Laboratory testing, reporting, and sample retention requirements. A testing laboratory that is not certified by the National Institute on Drug Abuse according to subdivision 1 shall follow the chain-of-custody procedures prescribed for employers in subdivision 5. A testing laboratory shall conduct a confirmatory test on all samples that produced a positive test result on an initial screening test. A laboratory shall disclose to the employer a written test result report for each sample tested within three working days after a negative test result on an initial screening test or, when the initial screening test produced a positive test result, within three working days after a confirmatory test. A test report must indicate the drugs, alcohol, ~~or~~ drug or alcohol metabolites, or cannabis or cannabis metabolites tested for and whether the test produced negative or positive test results. A laboratory shall retain and properly store for at least six months all samples that produced a positive test result.

Subd. 4. Prohibitions on employers. An employer may not conduct drug or alcohol testing or cannabis testing of its own employees and job applicants using a testing laboratory owned and operated by the employer; except that, one agency of the state may test the employees of another agency of the state. Except as provided in subdivision 9, an employer may not request or require an employee or job applicant to contribute to, or pay the cost of, drug or alcohol testing or cannabis testing under sections 181.950 to 181.954.

Subd. 5. Employer chain-of-custody procedures. An employer shall establish its own reliable chain-of-custody procedures to ensure proper record keeping, handling, labeling, and identification of the samples to be tested. The procedures must require the following:

(1) possession of a sample must be traceable to the employee from whom the sample is collected, from the time the sample is collected through the time the sample is delivered to the laboratory;

(2) the sample must always be in the possession of, must always be in view of, or must be placed in a secured area by a person authorized to handle the sample;

(3) a sample must be accompanied by a written chain-of-custody record; and

(4) individuals relinquishing or accepting possession of the sample must record the time the possession of the sample was transferred and must sign and date the chain-of-custody record at the time of transfer.

Subd. 6. **Rights of employees and job applicants.** (a) Before requesting an employee or job applicant to undergo drug or alcohol testing or requesting cannabis testing, an employer shall provide the employee or job applicant with a form, developed by the employer, on which to acknowledge that the employee or job applicant has seen the employer's drug and alcohol testing or cannabis testing policy.

(b) If an employee or job applicant tests positive for drug use, the employee must be given written notice of the right to explain the positive test and the employer may request that the employee or job applicant indicate any over-the-counter or prescription medication that the individual is currently taking or has recently taken and any other information relevant to the reliability of, or explanation for, a positive test result.

(c) Within three working days after notice of a positive test result on a confirmatory test, the employee or job applicant may submit information to the employer, in addition to any information already submitted under paragraph (b), to explain that result, or may request a confirmatory retest of the original sample at the employee's or job applicant's own expense as provided under subdivision 9.

Subd. 7. **Notice of test results.** Within three working days after receipt of a test result report from the testing laboratory, an employer shall inform in writing an employee or job applicant who has undergone drug or alcohol testing or cannabis testing of (1) a negative test result on an initial screening test or of a negative or positive test result on a confirmatory test and (2) the right provided in subdivision 8. In the case of a positive test result on a confirmatory test, the employer shall also, at the time of this notice, inform the employee or job applicant in writing of the rights provided in subdivisions 6, paragraph (b), 9, and either subdivision 10 or 11, whichever applies.

Subd. 8. **Right to test result report.** An employee or job applicant has the right to request and receive from the employer a copy of the test result report on any drug or alcohol test or cannabis test.

Subd. 9. **Confirmatory retests.** An employee or job applicant may request a confirmatory retest of the original sample at the employee's or job applicant's own expense after notice of a positive test result on a confirmatory test. Within five working days after notice of the confirmatory test result, the employee or job applicant shall notify the employer in writing of the employee's or job applicant's intention to obtain a confirmatory retest. Within three working days after receipt of the notice, the employer shall notify the original testing laboratory that the employee or job applicant has requested the laboratory to conduct the confirmatory retest or transfer the sample to another laboratory licensed under subdivision 1 to conduct the confirmatory retest. The original testing laboratory shall ensure that the chain-of-custody procedures in subdivision 3 are followed during transfer of the sample to the other laboratory. The confirmatory retest must use the same drug or, alcohol, or cannabis threshold detection levels as used in the original confirmatory test. If the

confirmatory retest does not confirm the original positive test result, no adverse personnel action based on the original confirmatory test may be taken against the employee or job applicant.

Subd. 10. **Limitations on employee discharge, discipline, or discrimination.** (a) An employer may not discharge, discipline, discriminate against, or request or require rehabilitation of an employee on the basis of a positive test result from an initial screening test that has not been verified by a confirmatory test.

(b) In addition to the limitation under paragraph (a), an employer may not discharge an employee for whom a positive test result on a confirmatory test was the first such result for the employee on a drug or alcohol test or cannabis test requested by the employer unless the following conditions have been met:

(1) the employer has first given the employee an opportunity to participate in, at the employee's own expense or pursuant to coverage under an employee benefit plan, either a drug ~~or~~ alcohol, or cannabis counseling or rehabilitation program, whichever is more appropriate, as determined by the employer after consultation with a certified chemical use counselor or a physician trained in the diagnosis and treatment of substance use disorder; and

(2) the employee has either refused to participate in the counseling or rehabilitation program or has failed to successfully complete the program, as evidenced by withdrawal from the program before its completion or by a positive test result on a confirmatory test after completion of the program.

(c) Notwithstanding paragraph (a), an employer may temporarily suspend the tested employee or transfer that employee to another position at the same rate of pay pending the outcome of the confirmatory test and, if requested, the confirmatory retest, provided the employer believes that it is reasonably necessary to protect the health or safety of the employee, coemployees, or the public. An employee who has been suspended without pay must be reinstated with back pay if the outcome of the confirmatory test or requested confirmatory retest is negative.

(d) An employer may not discharge, discipline, discriminate against, or request or require rehabilitation of an employee on the basis of medical history information revealed to the employer pursuant to subdivision 6 unless the employee was under an affirmative duty to provide the information before, upon, or after hire.

(e) An employee must be given access to information in the employee's personnel file relating to positive test result reports and other information acquired in the drug and alcohol testing process or cannabis testing process and conclusions drawn from and actions taken based on the reports or other acquired information.

Subd. 10a. **Additional limitations for cannabis.** An employer may discipline, discharge, or take other adverse personnel action against an employee for cannabis flower, cannabis product, lower-potency hemp edible, or hemp-derived consumer product use, possession, impairment, sale, or transfer while an employee is working, on the employer's premises, or operating the employer's vehicle, machinery, or equipment as follows:

(1) if, as the result of consuming cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product, the employee does not possess that clearness of intellect and control of self that the employee otherwise would have;

(2) if cannabis testing verifies the presence of cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product following a confirmatory test;

(3) as provided in the employer's written work rules for cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products and cannabis testing, provided that the rules are in writing and in a written policy that contains the minimum information required by section 181.952; or

(4) as otherwise authorized or required under state or federal law or regulations, or if a failure to do so would cause an employer to lose a monetary or licensing-related benefit under federal law or regulations.

Subd. 11. **Limitation on withdrawal of job offer.** If a job applicant has received a job offer made contingent on the applicant passing drug and alcohol testing, the employer may not withdraw the offer based on a positive test result from an initial screening test that has not been verified by a confirmatory test.

Sec. 40. Minnesota Statutes 2022, section 181.954, is amended to read:

181.954 PRIVACY, CONFIDENTIALITY, AND PRIVILEGE SAFEGUARDS.

Subdivision 1. **Privacy limitations.** A laboratory may only disclose to the employer test result data regarding the presence or absence of drugs, alcohol, or their metabolites in a sample tested.

Subd. 2. **Confidentiality limitations.** Test result reports and other information acquired in the drug or alcohol testing or cannabis testing process are, with respect to private sector employees and job applicants, private and confidential information, and, with respect to public sector employees and job applicants, private data on individuals as that phrase is defined in chapter 13, and may not be disclosed by an employer or laboratory to another employer or to a third-party individual, governmental agency, or private organization without the written consent of the employee or job applicant tested.

Subd. 3. **Exceptions to privacy and confidentiality disclosure limitations.** Notwithstanding subdivisions 1 and 2, evidence of a positive test result on a confirmatory test may be: (1) used in an arbitration proceeding pursuant to a collective bargaining agreement, an administrative hearing under chapter 43A or other applicable state or local law, or a judicial proceeding, provided that information is relevant to the hearing or proceeding; (2) disclosed to any federal agency or other unit of the United States government as required under federal law, regulation, or order, or in accordance with compliance requirements of a federal government contract; and (3) disclosed to a substance abuse treatment facility for the purpose of evaluation or treatment of the employee.

Subd. 4. **Privilege.** Positive test results from an employer drug or alcohol testing or cannabis testing program may not be used as evidence in a criminal action against the employee or job applicant tested.

Sec. 41. Minnesota Statutes 2022, section 181.955, is amended to read:

181.955 CONSTRUCTION.

Subdivision 1. **Freedom to collectively bargain.** Sections 181.950 to 181.954 shall not be construed to limit the parties to a collective bargaining agreement from bargaining and agreeing with respect to a drug and alcohol testing or a cannabis testing policy that meets or exceeds, and does not otherwise conflict with, the minimum standards and requirements for employee protection provided in those sections.

Subd. 2. **Employee protections under existing collective bargaining agreements.** Sections 181.950 to 181.954 shall not be construed to interfere with or diminish any employee protections relating to drug and alcohol testing or cannabis testing already provided under collective bargaining agreements in effect on the effective date of those sections that exceed the minimum standards and requirements for employee protection provided in those sections.

Subd. 3. **Professional athletes.** Sections 181.950 to 181.954 shall not be construed to interfere with the operation of a drug and alcohol testing or cannabis testing program if:

(1) the drug and alcohol testing program is permitted under a contract between the employer and employees; and

(2) the covered employees are employed as professional athletes.

Upon request of the commissioner of labor and industry, the exclusive representative of the employees and the employer shall certify to the commissioner of labor and industry that the drug and alcohol testing or cannabis testing program permitted under the contract should operate without interference from the sections specified in this subdivision. This subdivision must not be construed to create an exemption from controlled substance crimes in chapter 152.

Sec. 42. Minnesota Statutes 2022, section 181.957, subdivision 1, is amended to read:

Subdivision 1. **Excluded employees and job applicants.** Except as provided under subdivision 2, the employee and job applicant protections provided under sections 181.950 to 181.956 do not apply to employees and job applicants where the specific work performed requires those employees and job applicants to be subject to drug and alcohol testing or cannabis testing pursuant to:

(1) federal regulations that specifically preempt state regulation of drug and alcohol testing or cannabis testing with respect to those employees and job applicants;

(2) federal regulations or requirements necessary to operate federally regulated facilities;

(3) federal contracts where the drug and alcohol testing or cannabis testing is conducted for security, safety, or protection of sensitive or proprietary data; or

(4) state agency rules that adopt federal regulations applicable to the interstate component of a federally regulated industry, and the adoption of those rules is for the purpose of conforming the nonfederally regulated intrastate component of the industry to identical regulation.

Sec. 43. Minnesota Statutes 2022, section 245C.08, subdivision 1, is amended to read:

Subdivision 1. **Background studies conducted by Department of Human Services.** (a) For a background study conducted by the Department of Human Services, the commissioner shall review:

(1) information related to names of substantiated perpetrators of maltreatment of vulnerable adults that has been received by the commissioner as required under section 626.557, subdivision 9c, paragraph (j);

(2) the commissioner's records relating to the maltreatment of minors in licensed programs, and from findings of maltreatment of minors as indicated through the social service information system;

(3) information from juvenile courts as required in subdivision 4 for individuals listed in section 245C.03, subdivision 1, paragraph (a), when there is reasonable cause;

(4) information from the Bureau of Criminal Apprehension, including information regarding a background study subject's registration in Minnesota as a predatory offender under section 243.166;

(5) except as provided in clause (6), information received as a result of submission of fingerprints for a national criminal history record check, as defined in section 245C.02, subdivision 13c, when the commissioner has reasonable cause for a national criminal history record check as defined under section 245C.02, subdivision 15a, or as required under section 144.057, subdivision 1, clause (2);

(6) for a background study related to a child foster family setting application for licensure, foster residence settings, children's residential facilities, a transfer of permanent legal and physical custody of a child under sections 260C.503 to 260C.515, or adoptions, and for a background study required for family child care, certified license-exempt child care, child care centers, and legal nonlicensed child care authorized under chapter 119B, the commissioner shall also review:

(i) information from the child abuse and neglect registry for any state in which the background study subject has resided for the past five years;

(ii) when the background study subject is 18 years of age or older, or a minor under section 245C.05, subdivision 5a, paragraph (c), information received following submission of fingerprints for a national criminal history record check; and

(iii) when the background study subject is 18 years of age or older or a minor under section 245C.05, subdivision 5a, paragraph (d), for licensed family child care, certified license-exempt child care, licensed child care centers, and legal nonlicensed child care authorized under chapter 119B, information obtained using non-fingerprint-based data including information from the criminal and sex offender registries for any state in which the background study subject resided for the past five years and information from the national crime information database and the national sex offender registry; and

(7) for a background study required for family child care, certified license-exempt child care centers, licensed child care centers, and legal nonlicensed child care authorized under chapter 119B, the background study shall also include, to the extent practicable, a name and date-of-birth search of the National Sex Offender Public website.

(b) Except as otherwise provided in this paragraph, notwithstanding expungement by a court, the commissioner may consider information obtained under paragraph (a), clauses (3) and (4), unless

the commissioner received notice of the petition for expungement and the court order for expungement is directed specifically to the commissioner. The commissioner may not consider information obtained under paragraph (a), clauses (3) and (4), or from any other source that identifies a violation of chapter 152 without determining if the offense involved the possession of marijuana or tetrahydrocannabinol and, if so, whether the person received a grant of expungement or order of expungement, or the person was resentenced to a lesser offense. If the person received a grant of expungement or order of expungement, the commissioner may not consider information related to that violation but may consider any other relevant information arising out of the same incident.

(c) The commissioner shall also review criminal case information received according to section 245C.04, subdivision 4a, from the Minnesota court information system that relates to individuals who have already been studied under this chapter and who remain affiliated with the agency that initiated the background study.

(d) When the commissioner has reasonable cause to believe that the identity of a background study subject is uncertain, the commissioner may require the subject to provide a set of classifiable fingerprints for purposes of completing a fingerprint-based record check with the Bureau of Criminal Apprehension. Fingerprints collected under this paragraph shall not be saved by the commissioner after they have been used to verify the identity of the background study subject against the particular criminal record in question.

(e) The commissioner may inform the entity that initiated a background study under NETStudy 2.0 of the status of processing of the subject's fingerprints.

Sec. 44. Minnesota Statutes 2022, section 256.01, subdivision 18c, is amended to read:

Subd. 18c. **Drug convictions.** (a) The state court administrator shall provide a report every six months by electronic means to the commissioner of human services, including the name, address, date of birth, and, if available, driver's license or state identification card number, date of the sentence, effective date of the sentence, and county in which the conviction occurred, of each person convicted of a felony under chapter 152, except for convictions under section 152.0263 or 152.0264, during the previous six months.

(b) The commissioner shall determine whether the individuals who are the subject of the data reported under paragraph (a) are receiving public assistance under chapter 256D or 256J, and if ~~the~~ an individual is receiving assistance under chapter 256D or 256J, the commissioner shall instruct the county to proceed under section 256D.024 or 256J.26, whichever is applicable, for this individual.

(c) The commissioner shall not retain any data received under paragraph (a) ~~or (d)~~ that does not relate to an individual receiving publicly funded assistance under chapter 256D or 256J.

~~(d) In addition to the routine data transfer under paragraph (a), the state court administrator shall provide a onetime report of the data fields under paragraph (a) for individuals with a felony drug conviction under chapter 152 dated from July 1, 1997, until the date of the data transfer. The commissioner shall perform the tasks identified under paragraph (b) related to this data and shall retain the data according to paragraph (c).~~

Sec. 45. Minnesota Statutes 2022, section 256B.0625, subdivision 13d, is amended to read:

Subd. 13d. **Drug formulary.** (a) The commissioner shall establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the Administrative Procedure Act, but the Formulary Committee shall review and comment on the formulary contents.

(b) The formulary shall not include:

- (1) drugs, active pharmaceutical ingredients, or products for which there is no federal funding;
- (2) over-the-counter drugs, except as provided in subdivision 13;
- (3) drugs or active pharmaceutical ingredients when used for the treatment of impotence or erectile dysfunction;
- (4) drugs or active pharmaceutical ingredients for which medical value has not been established;
- (5) drugs from manufacturers who have not signed a rebate agreement with the Department of Health and Human Services pursuant to section 1927 of title XIX of the Social Security Act; and
- (6) medical cannabis flower as defined in section 152.22, subdivision 6 342.01, subdivision 54, or medical cannabinoid products as defined in section 342.01, subdivision 52.

(c) If a single-source drug used by at least two percent of the fee-for-service medical assistance recipients is removed from the formulary due to the failure of the manufacturer to sign a rebate agreement with the Department of Health and Human Services, the commissioner shall notify prescribing practitioners within 30 days of receiving notification from the Centers for Medicare and Medicaid Services (CMS) that a rebate agreement was not signed.

Sec. 46. Minnesota Statutes 2022, section 256D.024, subdivision 1, is amended to read:

Subdivision 1. **Person convicted of drug offenses.** (a) If an applicant or recipient has been convicted of a drug offense after July 1, 1997, the assistance unit is ineligible for benefits under this chapter until five years after the applicant has completed terms of the court-ordered sentence, unless the person is participating in a drug treatment program, has successfully completed a drug treatment program, or has been assessed by the county and determined not to be in need of a drug treatment program. Persons subject to the limitations of this subdivision who become eligible for assistance under this chapter shall be subject to random drug testing as a condition of continued eligibility and shall lose eligibility for benefits for five years beginning the month following:

- (1) any positive test result for an illegal controlled substance; or
- (2) discharge of sentence after conviction for another drug felony.

(b) For the purposes of this subdivision, "drug offense" means a conviction that occurred after July 1, 1997, of sections 152.021 to 152.025, 152.0261, 152.0262, or 152.096. Drug offense also means a conviction in another jurisdiction of the possession, use, or distribution of a controlled substance, or conspiracy to commit any of these offenses, if the offense occurred after July 1, 1997, and the conviction is a felony offense in that jurisdiction, or in the case of New Jersey, a high misdemeanor for a crime that would be a felony if committed in Minnesota.

(c) This subdivision does not apply for convictions or positive test results related to cannabis, marijuana, or tetrahydrocannabinols.

Sec. 47. Minnesota Statutes 2022, section 256D.024, subdivision 3, is amended to read:

Subd. 3. **Fleeing felons.** An individual who is fleeing to avoid prosecution, or custody, or confinement after conviction for a crime that ~~is a felony under the laws of the jurisdiction from which the individual flees, or in the case of New Jersey, is a high misdemeanor,~~ would be a felony if committed in Minnesota, is ineligible to receive benefits under this chapter.

Sec. 48. Minnesota Statutes 2022, section 256J.26, subdivision 1, is amended to read:

Subdivision 1. **Person convicted of drug offenses.** (a) An individual who has been convicted of a felony level drug offense committed during the previous ten years from the date of application or recertification is subject to the following:

(1) Benefits for the entire assistance unit must be paid in vendor form for shelter and utilities during any time the applicant is part of the assistance unit.

(2) The convicted applicant or participant shall be subject to random drug testing as a condition of continued eligibility and following any positive test for an illegal controlled substance is subject to the following sanctions:

(i) for failing a drug test the first time, the residual amount of the participant's grant after making vendor payments for shelter and utility costs, if any, must be reduced by an amount equal to 30 percent of the MFIP standard of need for an assistance unit of the same size. When a sanction under this subdivision is in effect, the job counselor must attempt to meet with the person face-to-face. During the face-to-face meeting, the job counselor must explain the consequences of a subsequent drug test failure and inform the participant of the right to appeal the sanction under section 256J.40. If a face-to-face meeting is not possible, the county agency must send the participant a notice of adverse action as provided in section 256J.31, subdivisions 4 and 5, and must include the information required in the face-to-face meeting; or

(ii) for failing a drug test two times, the participant is permanently disqualified from receiving MFIP assistance, both the cash and food portions. The assistance unit's MFIP grant must be reduced by the amount which would have otherwise been made available to the disqualified participant. Disqualification under this item does not make a participant ineligible for the Supplemental Nutrition Assistance Program (SNAP). Before a disqualification under this provision is imposed, the job counselor must attempt to meet with the participant face-to-face. During the face-to-face meeting, the job counselor must identify other resources that may be available to the participant to meet the needs of the family and inform the participant of the right to appeal the disqualification under section 256J.40. If a face-to-face meeting is not possible, the county agency must send the participant a notice of adverse action as provided in section 256J.31, subdivisions 4 and 5, and must include the information required in the face-to-face meeting.

(3) A participant who fails a drug test the first time and is under a sanction due to other MFIP program requirements is considered to have more than one occurrence of noncompliance and is subject to the applicable level of sanction as specified under section 256J.46, subdivision 1, paragraph (d).

(b) Applicants requesting only SNAP benefits or participants receiving only SNAP benefits, who have been convicted of a drug offense that occurred after July 1, 1997, may, if otherwise eligible, receive SNAP benefits if the convicted applicant or participant is subject to random drug testing as a condition of continued eligibility. Following a positive test for an illegal controlled substance, the applicant is subject to the following sanctions:

(1) for failing a drug test the first time, SNAP benefits shall be reduced by an amount equal to 30 percent of the applicable SNAP benefit allotment. When a sanction under this clause is in effect, a job counselor must attempt to meet with the person face-to-face. During the face-to-face meeting, a job counselor must explain the consequences of a subsequent drug test failure and inform the participant of the right to appeal the sanction under section 256J.40. If a face-to-face meeting is not possible, a county agency must send the participant a notice of adverse action as provided in section 256J.31, subdivisions 4 and 5, and must include the information required in the face-to-face meeting; and

(2) for failing a drug test two times, the participant is permanently disqualified from receiving SNAP benefits. Before a disqualification under this provision is imposed, a job counselor must attempt to meet with the participant face-to-face. During the face-to-face meeting, the job counselor must identify other resources that may be available to the participant to meet the needs of the family and inform the participant of the right to appeal the disqualification under section 256J.40. If a face-to-face meeting is not possible, a county agency must send the participant a notice of adverse action as provided in section 256J.31, subdivisions 4 and 5, and must include the information required in the face-to-face meeting.

(c) For the purposes of this subdivision, "drug offense" means an offense that occurred during the previous ten years from the date of application or recertification of sections 152.021 to 152.025, 152.0261, 152.0262, 152.096, or 152.137. Drug offense also means a conviction in another jurisdiction of the possession, use, or distribution of a controlled substance, or conspiracy to commit any of these offenses, if the offense occurred during the previous ten years from the date of application or recertification and the conviction is a felony offense in that jurisdiction, or in the case of New Jersey, a high misdemeanor for a crime that would be a felony if committed in Minnesota.

(d) This subdivision does not apply for convictions or positive test results related to cannabis, marijuana, or tetrahydrocannabinols.

Sec. 49. Minnesota Statutes 2022, section 256J.26, subdivision 3, is amended to read:

Subd. 3. **Fleeing felons.** An individual who is fleeing to avoid prosecution, or custody, or confinement after conviction for a crime that ~~is a felony under the laws of the jurisdiction from which the individual flees, or in the case of New Jersey, is a high misdemeanor,~~ would be a felony if committed in Minnesota, is disqualified from receiving MFIP.

Sec. 50. Minnesota Statutes 2022, section 340A.402, subdivision 1, is amended to read:

Subdivision 1. **Disqualifiers.** No retail license may be issued to:

(1) a person under 21 years of age;

(2) a person who has had an intoxicating liquor or 3.2 percent malt liquor license revoked within five years of the license application, or to any person who at the time of the violation owns any interest, whether as a holder of more than five percent of the capital stock of a corporation licensee, as a partner or otherwise, in the premises or in the business conducted thereon, or to a corporation, partnership, association, enterprise, business, or firm in which any such person is in any manner interested;

(3) a person not of good moral character and repute; ~~or~~

(4) a person who:

(i) has had a license or registration issued pursuant to chapter 342 or section 151.72, subdivision 5b, revoked;

(ii) has been convicted of an offense under section 151.72, subdivision 7; or

(iii) has been convicted under any other statute for the illegal sale of marijuana, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or edible cannabinoid products and the sale took place on the premises of a business that sells intoxicating liquor or 3.2 percent malt liquor to customers; or

~~(4)~~ (5) a person who has a direct or indirect interest in a manufacturer, brewer, or wholesaler.

In addition, no new retail license may be issued to, and the governing body of a municipality may refuse to renew the license of, a person who, within five years of the license application, has been convicted of a felony or a willful violation of a federal or state law or local ordinance governing the manufacture, sale, distribution, or possession for sale or distribution of an alcoholic beverage. The Alcohol and Gambling Enforcement Division or licensing authority may require that fingerprints be taken and forwarded to the Federal Bureau of Investigation for purposes of a criminal history check.

Sec. 51. [340A.4022] RETAIL LICENSE NOT PROHIBITED; LOWER-POTENCY HEMP EDIBLES.

(a) Nothing in this chapter:

(1) prohibits the issuance of a retail license or permit to a person also holding a hemp business license authorizing the manufacture or retail sale of lower-potency hemp edibles;

(2) allows any agreement between a licensing authority and retail license or permit holder that prohibits the license or permit holder from also holding a lower-potency hemp edible manufacturer or retailer license; or

(3) allows the revocation or suspension of a retail license or permit, or the imposition of a penalty on a retail license or permit holder, due to the retail license or permit holder also holding a lower-potency hemp edible manufacturer or retailer license.

(b) For purposes of this section, "hemp business license authorizing manufacture or retail sale of lower-potency hemp edibles" means a license issued by the Office of Cannabis Management pursuant to sections 342.43 to 342.46.

Sec. 52. Minnesota Statutes 2022, section 340A.412, subdivision 14, is amended to read:

Subd. 14. **Exclusive liquor stores.** (a) Except as otherwise provided in this subdivision, an exclusive liquor store may sell only the following items:

- (1) alcoholic beverages;
 - (2) tobacco products;
 - (3) ice;
 - (4) beverages, either liquid or powder, specifically designated for mixing with intoxicating liquor;
 - (5) soft drinks;
 - (6) liqueur-filled candies;
 - (7) food products that contain more than one-half of one percent alcohol by volume;
 - (8) cork extraction devices;
 - (9) books and videos on the use of alcoholic beverages;
 - (10) magazines and other publications published primarily for information and education on alcoholic beverages;
 - (11) multiple-use bags designed to carry purchased items;
 - (12) devices designed to ensure safe storage and monitoring of alcohol in the home, to prevent access by underage drinkers;
 - (13) home brewing equipment;
 - (14) clothing marked with the specific name, brand, or identifying logo of the exclusive liquor store, and bearing no other name, brand, or identifying logo;
 - (15) citrus fruit; ~~and~~
 - (16) glassware;
 - (17) lower-potency hemp edibles as defined in section 342.01, subdivision 50; and
 - (18) products that detect the presence of fentanyl or a fentanyl analog.
- (b) An exclusive liquor store that has an on-sale, or combination on-sale and off-sale license may sell food for on-premise consumption when authorized by the municipality issuing the license.
- (c) An exclusive liquor store may offer live or recorded entertainment.

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

Sec. 53. Minnesota Statutes 2022, section 461.12, is amended by adding a subdivision to read:

Subd. 2a. Penalties for sales of certain products; licensees. (a) A licensee's authority to sell tobacco, tobacco-related devices, electronic delivery devices, or nicotine or lobelia delivery products at that location must be suspended for not less than seven days and may be revoked if the licensee:

(1) holds a license or registration issued pursuant to chapter 342 or section 151.72, subdivision 5b, and the license or registration is revoked;

(2) is convicted of an offense under section 151.72, subdivision 7; or

(3) has been convicted under any other statute for the illegal sale of marijuana, cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or edible cannabinoid products and the sale took place on the premises of a business that sells tobacco, tobacco-related devices, electronic delivery devices, or nicotine or lobelia delivery products.

(b) No suspension, revocation, or other penalty may take effect until the licensee has received notice, served personally or by mail, of the alleged violation and an opportunity for a hearing before a person authorized by the licensing authority to conduct the hearing. A decision that a violation has occurred must be in writing.

Sec. 54. Minnesota Statutes 2022, section 484.014, subdivision 3, is amended to read:

Subd. 3. Mandatory expungement. (a) The court shall order expungement of an eviction case commenced solely on the grounds provided in section 504B.285, subdivision 1, clause (1), if the court finds that the defendant occupied real property that was subject to contract for deed cancellation or mortgage foreclosure and:

(1) the time for contract cancellation or foreclosure redemption has expired and the defendant vacated the property prior to commencement of the eviction action; or

(2) the defendant was a tenant during the contract cancellation or foreclosure redemption period and did not receive a notice under section 504B.285, subdivision 1a, 1b, or 1c, to vacate on a date prior to commencement of the eviction case.

(b) If a tenant brings a motion for the expungement of an eviction, the court shall order the expungement of an eviction case that was commenced on the grounds of a violation of section 504B.171 or any other claim of breach regardless of when the original eviction was ordered, if the tenant could receive an automatic expungement under section 609A.055, or if the breach was based solely on the possession of marijuana or tetrahydrocannabinols.

Sec. 55. Minnesota Statutes 2022, section 504B.171, subdivision 1, is amended to read:

Subdivision 1. Terms of covenant. (a) In every lease or license of residential premises, whether in writing or parol, the landlord or licensor and the tenant or licensee covenant that:

(1) neither will:

(i) unlawfully allow controlled substances in those premises or in the common area and curtilage of the premises in violation of any criminal provision of chapter 152;

(ii) allow prostitution or prostitution-related activity as defined in section 617.80, subdivision 4, to occur on the premises or in the common area and curtilage of the premises;

(iii) allow the unlawful use or possession of a firearm in violation of section 609.66, subdivision 1a, 609.67, or 624.713, on the premises or in the common area and curtilage of the premises; or

(iv) allow stolen property or property obtained by robbery in those premises or in the common area and curtilage of the premises; and

(2) the common area and curtilage of the premises will not be used by either the landlord or licensor or the tenant or licensee or others acting under the control of either to manufacture, sell, give away, barter, deliver, exchange, distribute, purchase, or possess a controlled substance in violation of any criminal provision of chapter 152. The covenant is not violated when a person other than the landlord or licensor or the tenant or licensee possesses or allows controlled substances in the premises, common area, or curtilage, unless the landlord or licensor or the tenant or licensee knew or had reason to know of that activity.

(b) In every lease or license of residential premises, whether in writing or parol, the tenant or licensee covenant that the tenant or licensee will not commit an act enumerated under section 504B.206, subdivision 1, paragraph (a), against a tenant or licensee or any authorized occupant.

(c) A landlord cannot prohibit a tenant from legally possessing, and a tenant cannot waive the right to legally possess, any cannabis products, lower-potency hemp edibles, or hemp-derived consumer products, or using any cannabinoid product or hemp-derived consumer product, other than consumption by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product.

Sec. 56. **[504B.1715] COVENANTS; SOBER HOMES.**

A sober housing program for people with substance use disorders may prohibit people in the program from the possession and use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

Sec. 57. Minnesota Statutes 2022, section 609B.425, subdivision 2, is amended to read:

Subd. 2. **Benefit eligibility.** (a) A person convicted of a drug offense after July 1, 1997, is ineligible for general assistance benefits and Supplemental Security Income under chapter 256D until:

(1) five years after completing the terms of a court-ordered sentence; or

(2) unless the person is participating in a drug treatment program, has successfully completed a program, or has been determined not to be in need of a drug treatment program.

(b) A person who becomes eligible for assistance under chapter 256D is subject to random drug testing and shall lose eligibility for benefits for five years beginning the month following:

(1) any positive test for an illegal controlled substance; or

(2) discharge of sentence for conviction of another drug felony.

(c) Parole violators and fleeing felons are ineligible for benefits and persons fraudulently misrepresenting eligibility are also ineligible to receive benefits for ten years.

(d) This subdivision does not apply for convictions or positive test results related to cannabis, marijuana, or tetrahydrocannabinols.

Sec. 58. Minnesota Statutes 2022, section 609B.435, subdivision 2, is amended to read:

Subd. 2. **Drug offenders; random testing; sanctions.** A person who is an applicant for benefits from the Minnesota family investment program or MFIP, the vehicle for temporary assistance for needy families or TANF, and who has been convicted of a drug offense shall be subject to certain conditions, including random drug testing, in order to receive MFIP benefits. Following any positive test for a controlled substance, the convicted applicant or participant is subject to the following sanctions:

(1) a first time drug test failure results in a reduction of benefits in an amount equal to 30 percent of the MFIP standard of need; and

(2) a second time drug test failure results in permanent disqualification from receiving MFIP assistance.

A similar disqualification sequence occurs if the applicant is receiving Supplemental Nutrition Assistance Program (SNAP) benefits.

This subdivision does not apply for convictions or positive test results related to cannabis, marijuana, or tetrahydrocannabinols.

Sec. 59. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 13. **Adult-use cannabis flower.** "Adult-use cannabis flower" has the meaning given in section 342.01, subdivision 3.

Sec. 60. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 14. **Adult-use cannabis product.** "Adult-use cannabis product" has the meaning given in section 342.01, subdivision 4.

Sec. 61. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 15. **Medical cannabis flower.** "Medical cannabis flower" has the meaning given in section 342.01, subdivision 54.

Sec. 62. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 16. **Medical cannabinoid product.** "Medical cannabinoid product" has the meaning given in section 342.01, subdivision 52.

Sec. 63. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 17. **Patient.** "Patient" has the meaning given in section 342.01, subdivision 59.

Sec. 64. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 18. **Qualifying medical condition.** "Qualifying medical condition" has the meaning given in section 342.01, subdivision 63.

Sec. 65. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 19. **Registry or registry program.** "Registry" or "registry program" has the meaning given in section 342.01, subdivision 65.

Sec. 66. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 20. **Hemp-derived consumer product.** "Hemp-derived consumer product" has the meaning given in section 342.01, subdivision 37.

Sec. 67. Minnesota Statutes 2022, section 624.712, is amended by adding a subdivision to read:

Subd. 21. **Lower-potency hemp edible.** "Lower-potency hemp edible" has the meaning given in section 342.01, subdivision 50.

Sec. 68. Minnesota Statutes 2022, section 624.713, subdivision 1, is amended to read:

Subdivision 1. **Ineligible persons.** The following persons shall not be entitled to possess ammunition or a pistol or semiautomatic military-style assault weapon or, except for clause (1), any other firearm:

(1) a person under the age of 18 years except that a person under 18 may possess ammunition designed for use in a firearm that the person may lawfully possess and may carry or possess a pistol or semiautomatic military-style assault weapon (i) in the actual presence or under the direct supervision of the person's parent or guardian, (ii) for the purpose of military drill under the auspices of a legally recognized military organization and under competent supervision, (iii) for the purpose of instruction, competition, or target practice on a firing range approved by the chief of police or county sheriff in whose jurisdiction the range is located and under direct supervision; or (iv) if the person has successfully completed a course designed to teach marksmanship and safety with a pistol or semiautomatic military-style assault weapon and approved by the commissioner of natural resources;

(2) except as otherwise provided in clause (9), a person who has been convicted of, or adjudicated delinquent or convicted as an extended jurisdiction juvenile for committing, in this state or elsewhere, a crime of violence. For purposes of this section, crime of violence includes crimes in other states or jurisdictions which would have been crimes of violence as herein defined if they had been committed in this state;

(3) a person who is or has ever been committed in Minnesota or elsewhere by a judicial determination that the person is mentally ill, developmentally disabled, or mentally ill and dangerous to the public, as defined in section 253B.02, to a treatment facility, or who has ever been found incompetent to stand trial or not guilty by reason of mental illness, unless the person's ability to possess a firearm and ammunition has been restored under subdivision 4;

(4) a person who has been convicted in Minnesota or elsewhere of a misdemeanor or gross misdemeanor violation of chapter 152, unless three years have elapsed since the date of conviction and, during that time, the person has not been convicted of any other such violation of chapter 152 or a similar law of another state; or a person who is or has ever been committed by a judicial determination for treatment for the habitual use of a controlled substance or marijuana, as defined in sections 152.01 and 152.02, unless the person's ability to possess a firearm and ammunition has been restored under subdivision 4;

(5) a person who has been committed to a treatment facility in Minnesota or elsewhere by a judicial determination that the person is chemically dependent as defined in section 253B.02, unless the person has completed treatment or the person's ability to possess a firearm and ammunition has been restored under subdivision 4. Property rights may not be abated but access may be restricted by the courts;

(6) a peace officer who is informally admitted to a treatment facility pursuant to section 253B.04 for chemical dependency, unless the officer possesses a certificate from the head of the treatment facility discharging or provisionally discharging the officer from the treatment facility. Property rights may not be abated but access may be restricted by the courts;

(7) a person, including a person under the jurisdiction of the juvenile court, who has been charged with committing a crime of violence and has been placed in a pretrial diversion program by the court before disposition, until the person has completed the diversion program and the charge of committing the crime of violence has been dismissed;

(8) except as otherwise provided in clause (9), a person who has been convicted in another state of committing an offense similar to the offense described in section 609.224, subdivision 3, against a family or household member or section 609.2242, subdivision 3, unless three years have elapsed since the date of conviction and, during that time, the person has not been convicted of any other violation of section 609.224, subdivision 3, or 609.2242, subdivision 3, or a similar law of another state;

(9) a person who has been convicted in this state or elsewhere of assaulting a family or household member and who was found by the court to have used a firearm in any way during commission of the assault is prohibited from possessing any type of firearm or ammunition for the period determined by the sentencing court;

(10) a person who:

(i) has been convicted in any court of a crime punishable by imprisonment for a term exceeding one year;

(ii) is a fugitive from justice as a result of having fled from any state to avoid prosecution for a crime or to avoid giving testimony in any criminal proceeding;

(iii) is an unlawful user of any controlled substance as defined in chapter 152. The use of medical cannabis flower or medical cannabinoid products by a patient enrolled in the registry program or the use of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by a person 21 years of age or older does not constitute the unlawful use of a controlled substance under this item;

(iv) has been judicially committed to a treatment facility in Minnesota or elsewhere as a person who is mentally ill, developmentally disabled, or mentally ill and dangerous to the public, as defined in section 253B.02;

(v) is an alien who is illegally or unlawfully in the United States;

(vi) has been discharged from the armed forces of the United States under dishonorable conditions;

(vii) has renounced the person's citizenship having been a citizen of the United States; or

(viii) is disqualified from possessing a firearm under United States Code, title 18, section 922(g)(8) or (9), as amended through March 1, 2014;

(11) a person who has been convicted of the following offenses at the gross misdemeanor level, unless three years have elapsed since the date of conviction and, during that time, the person has not been convicted of any other violation of these sections: section 609.229 (crimes committed for the benefit of a gang); 609.2231, subdivision 4 (assaults motivated by bias); 609.255 (false imprisonment); 609.378 (neglect or endangerment of a child); 609.582, subdivision 4 (burglary in the fourth degree); 609.665 (setting a spring gun); 609.71 (riot); or 609.749 (harassment or stalking). For purposes of this paragraph, the specified gross misdemeanor convictions include crimes committed in other states or jurisdictions which would have been gross misdemeanors if conviction occurred in this state;

(12) a person who has been convicted of a violation of section 609.224 if the court determined that the assault was against a family or household member in accordance with section 609.2242, subdivision 3 (domestic assault), unless three years have elapsed since the date of conviction and, during that time, the person has not been convicted of another violation of section 609.224 or a violation of a section listed in clause (11); or

(13) a person who is subject to an order for protection as described in section 260C.201, subdivision 3, paragraph (d), or 518B.01, subdivision 6, paragraph (g).

A person who issues a certificate pursuant to this section in good faith is not liable for damages resulting or arising from the actions or misconduct with a firearm or ammunition committed by the individual who is the subject of the certificate.

The prohibition in this subdivision relating to the possession of firearms other than pistols and semiautomatic military-style assault weapons does not apply retroactively to persons who are prohibited from possessing a pistol or semiautomatic military-style assault weapon under this subdivision before August 1, 1994.

The lifetime prohibition on possessing, receiving, shipping, or transporting firearms and ammunition for persons convicted or adjudicated delinquent of a crime of violence in clause (2), applies only to offenders who are discharged from sentence or court supervision for a crime of violence on or after August 1, 1993.

Participation as a patient in the registry program or use of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by a person

21 years of age or older does not disqualify the person from possessing firearms and ammunition under this section.

For purposes of this section, "judicial determination" means a court proceeding pursuant to sections 253B.07 to 253B.09 or a comparable law from another state.

Sec. 69. Minnesota Statutes 2022, section 624.714, subdivision 6, is amended to read:

Subd. 6. **Granting and denial of permits.** (a) The sheriff must, within 30 days after the date of receipt of the application packet described in subdivision 3:

(1) issue the permit to carry;

(2) deny the application for a permit to carry solely on the grounds that the applicant failed to qualify under the criteria described in subdivision 2, paragraph (b); or

(3) deny the application on the grounds that there exists a substantial likelihood that the applicant is a danger to self or the public if authorized to carry a pistol under a permit.

(b) Failure of the sheriff to notify the applicant of the denial of the application within 30 days after the date of receipt of the application packet constitutes issuance of the permit to carry and the sheriff must promptly fulfill the requirements under paragraph (c). To deny the application, the sheriff must provide the applicant with written notification and the specific factual basis justifying the denial under paragraph (a), clause (2) or (3), including the source of the factual basis. The sheriff must inform the applicant of the applicant's right to submit, within 20 business days, any additional documentation relating to the propriety of the denial. Upon receiving any additional documentation, the sheriff must reconsider the denial and inform the applicant within 15 business days of the result of the reconsideration. Any denial after reconsideration must be in the same form and substance as the original denial and must specifically address any continued deficiencies in light of the additional documentation submitted by the applicant. The applicant must be informed of the right to seek de novo review of the denial as provided in subdivision 12.

(c) Upon issuing a permit to carry, the sheriff must provide a laminated permit card to the applicant by first class mail unless personal delivery has been made. Within five business days, the sheriff must submit the information specified in subdivision 7, paragraph (a), to the commissioner for inclusion solely in the database required under subdivision 15, paragraph (a). The sheriff must transmit the information in a manner and format prescribed by the commissioner.

(d) Within five business days of learning that a permit to carry has been suspended or revoked, the sheriff must submit information to the commissioner regarding the suspension or revocation for inclusion solely in the databases required or permitted under subdivision 15.

(e) Notwithstanding paragraphs (a) and (b), the sheriff may suspend the application process if a charge is pending against the applicant that, if resulting in conviction, will prohibit the applicant from possessing a firearm.

(f) A sheriff shall not deny an application for a permit to carry solely because the applicant is a patient enrolled in the registry program and uses medical cannabis flower or medical cannabinoid products for a qualifying medical condition or because the person is 21 years of age or older and

uses adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

Sec. 70. Minnesota Statutes 2022, section 624.7151, is amended to read:

624.7151 STANDARDIZED FORMS.

By December 1, 1992, the commissioner shall adopt statewide standards governing the form and contents, as required by sections 624.7131 to 624.714, of every application for a pistol transferee permit, pistol transferee permit, report of transfer of a pistol, application for a permit to carry a pistol, and permit to carry a pistol that is granted or renewed on or after January 1, 1993.

Every application for a pistol transferee permit, pistol transferee permit, report of transfer of a pistol, application for a permit to carry a pistol, and permit to carry a pistol that is received, granted, or renewed by a police chief or county sheriff on or after January 1, 1993, must meet the statewide standards adopted by the commissioner. Notwithstanding the previous sentence, neither failure of the Department of Public Safety to adopt standards nor failure of the police chief or county sheriff to meet them shall delay the timely processing of applications nor invalidate permits issued on other forms meeting the requirements of sections 624.7131 to 624.714.

Any form used for the purpose of approving or disapproving a person from purchasing, owning, possessing, or carrying a firearm that inquires about the applicant's use of controlled substances shall specifically authorize a patient in the registry program to refrain from reporting the use of medical cannabis flower and medical cannabinoid products and shall specifically authorize a person 21 years of age or older from refraining from reporting the use of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

Sec. 71. **[624.7152] LAWFUL CANNABIS USERS.**

(a) A person may not be denied the right to purchase, own, possess, or carry a firearm solely on the basis that the person is a patient in the registry program.

(b) A person may not be denied the right to purchase, own, possess, or carry a firearm solely on the basis that the person is 21 years of age or older and uses adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products.

(c) A state or local agency may not access a database containing the identities of patients in the registry program to obtain information for the purpose of approving or disapproving a person from purchasing, owning, possessing, or carrying a firearm.

(d) A state or local agency may not use information gathered from a database containing the identities of patients in the registry program to obtain information for the purpose of approving or disapproving a person from purchasing, owning, possessing, or carrying a firearm.

(e) A state or local agency may not inquire about a person's status as a patient in the registry program for the purpose of approving or disapproving the person from purchasing, owning, possessing, or carrying a firearm.

(f) A state or local agency may not inquire about the use of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by a person 21 years of age or older for the purpose of approving or disapproving the person from purchasing, owning, possessing, or carrying a firearm.

Sec. 72. HIGH INTENSITY DRUG TRAFFICKING AREA REPORT.

The commissioner of public safety shall contract with Hennepin County to produce a statewide baseline high intensity drug trafficking area report on marijuana. The report must include information on past and present marijuana use in Minnesota; potency of marijuana; impacts of marijuana use on public health, emergency room admissions, traffic accidents, impaired driving citations, workforce, and schools; marijuana crimes and the juvenile justice system; marijuana's influence on the opioid epidemic; and the illicit market for marijuana. The report must be submitted to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over public safety, health, education policy, labor, and transportation by February 1, 2024.

Sec. 73. REPEALER.

(a) Minnesota Statutes 2022, sections 152.22, subdivisions 1, 2, 3, 4, 5, 5a, 5b, 6, 7, 8, 9, 10, 11, 12, 13, and 14; 152.23; 152.24; 152.25, subdivisions 1, 1a, 1b, 1c, 2, 3, and 4; 152.26; 152.261; 152.27, subdivisions 1, 2, 3, 4, 5, 6, and 7; 152.28, subdivisions 1, 2, and 3; 152.29, subdivisions 1, 2, 3, 3a, and 4; 152.291; 152.30; 152.31; 152.32, subdivisions 1, 2, and 3; 152.33, subdivisions 1, 1a, 2, 3, 4, 5, and 6; 152.34; 152.35; 152.36, subdivisions 1, 1a, 2, 3, 4, and 5; and 152.37, are repealed.

(b) Minnesota Statutes 2022, section 152.027, subdivisions 3 and 4, are repealed.

(c) Minnesota Statutes 2022, section 152.21, is repealed.

EFFECTIVE DATE. Paragraph (a) is effective March 1, 2025. Paragraph (b) is effective August 1, 2023. Paragraph (c) is effective July 1, 2023.

ARTICLE 7

TEMPORARY REGULATION OF CERTAIN PRODUCTS

Section 1. Minnesota Statutes 2022, section 34A.01, subdivision 4, is amended to read:

Subd. 4. **Food.** "Food" means every ingredient used for, entering into the consumption of, or used or intended for use in the preparation of food, drink, confectionery, or condiment for humans or other animals, whether simple, mixed, or compound; and articles used as components of these ingredients, except that edible cannabinoid products, as defined in section 151.72, subdivision 1, paragraph ~~(e)~~ (f), are not food.

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

Sec. 2. Minnesota Statutes 2022, section 151.72, is amended to read:

151.72 SALE OF CERTAIN CANNABINOID PRODUCTS.

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

(a) "Artificially derived cannabinoid" means a cannabinoid extracted from a hemp plant or hemp plant parts with a chemical makeup that is changed after extraction to create a different cannabinoid or other chemical compound by applying a catalyst other than heat or light. Artificially derived cannabinoid includes but is not limited to any tetrahydrocannabinol created from cannabidiol.

(b) "Batch" means a specific quantity of a specific product containing cannabinoids derived from hemp, including an edible cannabinoid product, that is manufactured at the same time and using the same methods, equipment, and ingredients that is uniform and intended to meet specifications for identity, strength, purity, and composition, and that is manufactured, packaged, and labeled according to a single batch production record executed and documented.

~~(b)~~ (c) "Certified hemp" means hemp plants that have been tested and found to meet the requirements of chapter 18K and the rules adopted thereunder.

(d) "Commissioner" means the commissioner of health.

(e) "Distributor" means a person who sells, arranges a sale, or delivers a product containing cannabinoids derived from hemp, including an edible cannabinoid product, that the person did not manufacture to a retail establishment for sale to consumers. Distributor does not include a common carrier used only to complete delivery to a retailer.

~~(e)~~ (f) "Edible cannabinoid product" means any product that is intended to be eaten or consumed as a beverage by humans, contains a cannabinoid in combination with food ingredients, and is not a drug.

~~(f)~~ (g) "Hemp" has the meaning given to "industrial hemp" in section 18K.02, subdivision 3.

~~(g)~~ (h) "Label" has the meaning given in section 151.01, subdivision 18.

~~(h)~~ (i) "Labeling" means all labels and other written, printed, or graphic matter that are:

(1) affixed to the immediate container in which a product regulated under this section is sold;

(2) provided, in any manner, with the immediate container, including but not limited to outer containers, wrappers, package inserts, brochures, or pamphlets; or

(3) provided on that portion of a manufacturer's website that is linked by a scannable barcode or matrix barcode.

~~(g)~~ (j) "Matrix barcode" means a code that stores data in a two-dimensional array of geometrically shaped dark and light cells capable of being read by the camera on a smartphone or other mobile device.

~~(h)~~ (k) "Nonintoxicating cannabinoid" means substances extracted from certified hemp plants that do not produce intoxicating effects when consumed by any route of administration.

(l) "Synthetic cannabinoid" means a substance with a similar chemical structure and pharmacological activity to a cannabinoid, but which is not extracted or derived from hemp plants, or hemp plant parts and is instead created or produced by chemical or biochemical synthesis.

Subd. 2. **Scope.** (a) This section applies to the sale of any product that contains cannabinoids extracted from hemp and that is an edible cannabinoid product or is intended for human or animal consumption by any route of administration.

(b) This section does not apply to any product dispensed by a registered medical cannabis manufacturer pursuant to sections 152.22 to 152.37.

(c) The ~~board~~ commissioner must have no authority over food products, as defined in section 34A.01, subdivision 4, that do not contain cannabinoids extracted or derived from hemp.

Subd. 3. **Sale of cannabinoids derived from hemp.** (a) Notwithstanding any other section of this chapter, a product containing nonintoxicating cannabinoids, including an edible cannabinoid product, may be sold for human or animal consumption only if all of the requirements of this section are met, provided that a product sold for human or animal consumption does not contain more than 0.3 percent of any tetrahydrocannabinol and an edible cannabinoid product does not contain an amount of any tetrahydrocannabinol that exceeds the limits established in subdivision 5a, paragraph (f).

(b) A product containing nonintoxicating cannabinoids, other than an edible cannabinoid product, may be sold for human or animal consumption only if it is intended for application externally to a part of the body of a human or animal. Such a product must not be manufactured, marketed, distributed, or intended to be consumed:

(1) by combustion or vaporization of the product and inhalation of smoke, aerosol, or vapor from the product;

(2) through chewing, drinking, or swallowing; or

(3) through injection or application to a mucous membrane or nonintact skin.

~~(b)~~ (c) No other substance extracted or otherwise derived from hemp may be sold for human consumption if the substance is intended:

(1) for external or internal use in the diagnosis, cure, mitigation, treatment, or prevention of disease in humans or other animals; or

(2) to affect the structure or any function of the bodies of humans or other animals.

~~(c)~~ (d) No product containing any cannabinoid or tetrahydrocannabinol extracted or otherwise derived from hemp may be sold to any individual who is under the age of 21.

~~(d)~~ (e) Products that meet the requirements of this section are not controlled substances under section 152.02.

(f) Products may be sold for on-site consumption provided that all of the following conditions are met:

(1) the retailer must also hold an on-sale license issued under chapter 340A;

(2) products must be served in original packaging, but may be removed from the products' packaging by customers and consumed on site;

(3) products must not be sold to a customer who the retailer knows or reasonably should know is intoxicated;

(4) products must not be permitted to be mixed with an alcoholic beverage; and

(5) products that have been removed from packaging must not be removed from the premises.

Subd. 4. **Testing requirements.** (a) A manufacturer of a product regulated under this section must submit representative samples of each batch of the product to an independent, accredited laboratory in order to certify that the product complies with the standards adopted by the board on or before July 1, 2023, or the standards adopted by the commissioner. Testing must be consistent with generally accepted industry standards for herbal and botanical substances, and, at a minimum, the testing must confirm that the product:

(1) contains the amount or percentage of cannabinoids that is stated on the label of the product;

(2) does not contain more than trace amounts of any mold, residual solvents or other catalysts, pesticides, fertilizers, or heavy metals; and

(3) does not contain more than 0.3 percent of any tetrahydrocannabinol.

(b) A manufacturer of a product regulated under this section must disclose all known information regarding pesticides, fertilizers, solvents, or other foreign materials applied to industrial hemp or added to industrial hemp during any production or processing stages of any batch from which a representative sample has been sent for testing, including any catalysts used to create artificially derived cannabinoids. The disclosure must be made to the laboratory performing testing or sampling and, upon request, to the commissioner. The disclosure must include all information known to the licensee regardless of whether the application or addition was made intentionally or accidentally, or by the manufacturer or any other person.

~~(b)~~ (c) Upon the request of the ~~board~~ commissioner, the manufacturer of the product must provide the ~~board~~ commissioner with the results of the testing required in this section.

(d) The commissioner may determine that any testing laboratory that does not operate formal management systems under the International Organization for Standardization is not an accredited laboratory and require that a representative sample of a batch of the product be retested by a testing laboratory that meets this requirement.

~~(e)~~ (e) Testing of the hemp from which the nonintoxicating cannabinoid was derived, or possession of a certificate of analysis for such hemp, does not meet the testing requirements of this section.

Subd. 5. **Labeling requirements.** (a) A product regulated under this section must bear a label that contains, at a minimum:

- (1) the name, location, contact phone number, and website of the manufacturer of the product;
- (2) the name and address of the independent, accredited laboratory used by the manufacturer to test the product; ~~and~~
- (3) the batch number; and
- ~~(3)~~ (4) an accurate statement of the amount or percentage of cannabinoids found in each unit of the product meant to be consumed.

(b) The information in paragraph (a) may be provided on an outer package if the immediate container that holds the product is too small to contain all of the information.

(c) The information required in paragraph (a) may be provided through the use of a scannable barcode or matrix barcode that links to a page on the manufacturer's website if that page contains all of the information required by this subdivision.

(d) The label must also include a statement stating that the product does not claim to diagnose, treat, cure, or prevent any disease and has not been evaluated or approved by the United States Food and Drug Administration (FDA) unless the product has been so approved.

(e) The information required by this subdivision must be prominently and conspicuously placed on the label or displayed on the website in terms that can be easily read and understood by the consumer.

(f) The labeling must not contain any claim that the product may be used or is effective for the prevention, treatment, or cure of a disease or that it may be used to alter the structure or function of human or animal bodies, unless the claim has been approved by the FDA.

Subd. 5a. **Additional requirements for edible cannabinoid products.** (a) In addition to the testing and labeling requirements under subdivisions 4 and 5, an edible cannabinoid must meet the requirements of this subdivision.

(b) An edible cannabinoid product must not:

(1) bear the likeness or contain cartoon-like characteristics of a real or fictional person, animal, or fruit that appeals to children;

(2) be modeled after a brand of products primarily consumed by or marketed to children;

(3) be made by applying an extracted or concentrated hemp-derived cannabinoid to a commercially available candy or snack food item;

(4) be substantively similar to a meat food product; poultry food product as defined in section 31A.02, subdivision 10; or a dairy product as defined in section 32D.01, subdivision 7;

~~(4)~~ (5) contain an ingredient, other than a hemp-derived cannabinoid, that is not approved by the United States Food and Drug Administration for use in food;

~~(5)~~ (6) be packaged in a way that resembles the trademarked, characteristic, or product-specialized packaging of any commercially available food product; or

~~(6)~~ (7) be packaged in a container that includes a statement, artwork, or design that could reasonably mislead any person to believe that the package contains anything other than an edible cannabinoid product.

(c) An edible cannabinoid product must be prepackaged in packaging or a container that is child-resistant, tamper-evident, and opaque or placed in packaging or a container that is child-resistant, tamper-evident, and opaque at the final point of sale to a customer. The requirement that packaging be child-resistant does not apply to an edible cannabinoid product that is intended to be consumed as a beverage ~~and which contains no more than a trace amount of any tetrahydrocannabinol.~~

(d) If an edible cannabinoid product, other than a product that is intended to be consumed as a beverage, is intended for more than a single use or contains multiple servings, each serving must be indicated by scoring, wrapping, or other indicators designating the individual serving size that appear on the edible cannabinoid product.

(e) A label containing at least the following information must be affixed to the packaging or container of all edible cannabinoid products sold to consumers:

(1) the serving size;

(2) the cannabinoid profile per serving and in total;

(3) a list of ingredients, including identification of any major food allergens declared by name; and

(4) the following statement: "Keep this product out of reach of children."

(f) An edible cannabinoid product must not contain more than five milligrams of any tetrahydrocannabinol in a single serving, ~~or. An edible cannabinoid product, other than a product that is intended to be consumed as a beverage, may not contain more than a total of 50 milligrams of any tetrahydrocannabinol per package. An edible cannabinoid product that is intended to be consumed as a beverage may not contain more than two servings per container.~~

(g) An edible cannabinoid product may contain delta-8 tetrahydrocannabinol or delta-9 tetrahydrocannabinol that is extracted from hemp plants or hemp plant parts or is an artificially derived cannabinoid. Edible cannabinoid products are prohibited from containing any other artificially derived cannabinoid, including but not limited to THC-P, THC-O, and HHC, unless the commissioner authorizes use of the artificially derived cannabinoid in edible cannabinoid products. Edible cannabinoid products are prohibited from containing synthetic cannabinoids.

(h) Every person selling edible cannabinoid products to consumers, other than products that are intended to be consumed as a beverage, must ensure that all edible cannabinoid products are displayed behind a checkout counter where the public is not permitted or in a locked case.

Subd. 5b. **Registration; prohibitions.** (a) On or before October 1, 2023, every person selling edible cannabinoid products to consumers must register with the commissioner in a form and manner

established by the commissioner. After October 1, 2023, the sale of edible cannabinoid products by a person that is not registered is prohibited.

(b) The registration form must contain an attestation of compliance and each registrant must affirm that it is operating and will continue to operate in compliance with the requirements of this section and all other applicable state and local laws and ordinances.

(c) The commissioner shall not charge a fee for registration under this subdivision.

Subd. 5c. **Age verification.** (a) Prior to initiating a sale or otherwise providing an edible cannabinoid product to an individual, an employee of a retailer must verify that the individual is at least 21 years of age.

(b) Proof of age may be established only by one of the following:

(1) a valid driver's license or identification card issued by Minnesota, another state, or a province of Canada and including the photograph and date of birth of the licensed person;

(2) a valid Tribal identification card as defined in section 171.072, paragraph (b);

(3) a valid passport issued by the United States;

(4) a valid instructional permit issued under section 171.05 to a person of legal age to purchase edible cannabinoid products, which includes a photograph and the date of birth of the person issued the permit; or

(5) in the case of a foreign national, by a valid passport.

(c) A registered retailer may seize a form of identification listed under paragraph (b) if the registered retailer has reasonable grounds to believe that the form of identification has been altered or falsified or is being used to violate any law. A registered retailer that seizes a form of identification as authorized under this paragraph must deliver it to a law enforcement agency within 24 hours of seizing it.

Subd. 6. **Noncompliant products; enforcement.** (a) A product regulated under this section, including an edible cannabinoid product, shall be considered ~~an adulterated drug~~ a noncompliant product if the product is offered for sale in this state or if the product is manufactured, imported, distributed, or stored with the intent to be offered for sale in this state in violation of any provision of this section, including but not limited to if:

(1) it consists, in whole or in part, of any filthy, putrid, or decomposed substance;

(2) it has been produced, prepared, packed, or held under unsanitary conditions where it may have been rendered injurious to health, or where it may have been contaminated with filth;

(3) its container is composed, in whole or in part, of any poisonous or deleterious substance that may render the contents injurious to health;

(4) it contains any food additives, color additives, or excipients that have been found by the FDA to be unsafe for human or animal consumption;

(5) it contains an amount or percentage of nonintoxicating cannabinoids that is different than the amount or percentage stated on the label;

(6) it contains more than 0.3 percent of any tetrahydrocannabinol or, if the product is an edible cannabinoid product, an amount of tetrahydrocannabinol that exceeds the limits established in subdivision 5a, paragraph (f); or

(7) it contains more than trace amounts of mold, residual solvents, pesticides, fertilizers, or heavy metals.

(b) A product regulated under this section shall be considered a ~~misbranded drug~~ noncompliant product if the product's labeling is false or misleading in any manner or in violation of the requirements of this section.

~~(c) The board's authority to issue cease and desist orders under section 151.06; to embargo adulterated and misbranded drugs under section 151.38; and to seek injunctive relief under section 214.11, extends to any~~ commissioner may assume that any product regulated under this section that is present in the state, other than a product lawfully possessed for personal use, has been manufactured, imported, distributed, or stored with the intent to be offered for sale in this state if a product of the same type and brand was sold in the state on or after July 1, 2023, or if the product is in the possession of a person who has sold any product in violation of this section.

(d) The commissioner may enforce this section, including enforcement against a manufacturer or distributor of a product regulated under this section, under sections 144.989 to 144.993.

(e) The commissioner may enter into an interagency agreement with the Office of Cannabis Management and the commissioner of agriculture to perform inspections and take other enforcement actions on behalf of the commissioner.

Subd. 7. Violations; criminal penalties. (a) Notwithstanding section 144.99, subdivision 11, a person who does any of the following regarding a product regulated under this section is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both:

(1) knowingly alters or otherwise falsifies testing results;

(2) intentionally alters or falsifies any information required to be included on the label of an edible cannabinoid product; or

(3) intentionally makes a false material statement to the commissioner.

(b) Notwithstanding section 144.99, subdivision 11, a person who does any of the following on the premises of a registered retailer or another business that sells retail goods to customers is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both:

(1) sells an edible cannabinoid product knowing that the product does not comply with the limits on the amount or types of cannabinoids that a product may contain;

(2) sells an edible cannabinoid product knowing that the product does not comply with the applicable testing, packaging, or labeling requirements; or

(3) sells an edible cannabinoid product to a person under the age of 21, except that it is an affirmative defense to a charge under this clause if the defendant proves by a preponderance of the evidence that the defendant reasonably and in good faith relied on proof of age as described in subdivision 5c.

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

Sec. 3. Minnesota Statutes 2022, section 340A.412, subdivision 14, is amended to read:

Subd. 14. **Exclusive liquor stores.** (a) Except as otherwise provided in this subdivision, an exclusive liquor store may sell only the following items:

- (1) alcoholic beverages;
- (2) tobacco products;
- (3) ice;
- (4) beverages, either liquid or powder, specifically designated for mixing with intoxicating liquor;
- (5) soft drinks;
- (6) liqueur-filled candies;
- (7) food products that contain more than one-half of one percent alcohol by volume;
- (8) cork extraction devices;
- (9) books and videos on the use of alcoholic beverages;
- (10) magazines and other publications published primarily for information and education on alcoholic beverages;
- (11) multiple-use bags designed to carry purchased items;
- (12) devices designed to ensure safe storage and monitoring of alcohol in the home, to prevent access by underage drinkers;
- (13) home brewing equipment;
- (14) clothing marked with the specific name, brand, or identifying logo of the exclusive liquor store, and bearing no other name, brand, or identifying logo;
- (15) citrus fruit; ~~and~~
- (16) glassware;₂

(17) edible cannabinoid products as defined in section 151.72, subdivision 1, paragraph (f); and

(18) products that detect the presence of fentanyl or a fentanyl analog.

(b) An exclusive liquor store that has an on-sale, or combination on-sale and off-sale license may sell food for on-premise consumption when authorized by the municipality issuing the license.

(c) An exclusive liquor store may offer live or recorded entertainment.

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

Sec. 4. EDIBLE CANNABINOID PRODUCTS; ENFORCEMENT.

(a) The Department of Health shall enforce the provisions of Minnesota Statutes, section 151.72, and all rules, orders, stipulation agreements, settlements, compliance agreements, and registrations related to that section adopted or issued by the Office of Medical Cannabis or the Department of Health pursuant to the Health Enforcement Consolidation Act of 1993 contained in Minnesota Statutes, sections 144.989 to 144.993, and the authority to embargo products described in paragraph (b). The commissioner of health may assign enforcement responsibilities to the Office of Medical Cannabis.

(b) Whenever a duly authorized agent of the Department of Health finds or has probable cause to believe that any product is being sold in violation of the provisions of Minnesota Statutes, section 151.72, the agent shall affix thereto an appropriate marking, giving notice that the article is, or is suspected of being in violation of Minnesota Statutes, section 151.72, has been embargoed, and warning that it is unlawful for any person to remove or dispose of the embargoed article by sale or otherwise without permission from the agent or the court. When an agent of the Department of Health has embargoed an article, the Department of Health shall, within 30 days, petition the district court in whose jurisdiction the article is embargoed for an order of condemnation. When an embargoed article is not so found by the agent, the agent shall remove the marking. If the court finds that an embargoed article is being sold in violation of the provisions of Minnesota Statutes, section 151.72, the article shall be destroyed at the expense of the claimant thereof, who shall also pay all court costs and fees, storage, and other proper expenses. If the violation can be corrected by proper labeling or processing of the article, or by filing the proper documents with the court, the court, after the costs, fees, and expenses have been paid and a sufficient bond has been executed, may order that the article be delivered to the claimant for labeling, processing, or filing under supervision of an agent of the board. The expense of the supervision shall be paid by the claimant. The bond shall be returned to the claimant on the representation to the court by the board that the article is no longer in violation of this chapter and that the expenses of supervision have been paid.

(c) The enforcement authority under paragraphs (a) and (b) shall transfer to the Office of Cannabis Management at any such time that the powers and duties of the Department of Health with respect to the medical cannabis program under Minnesota Statutes, sections 152.22 to 152.37, are transferred to the Office of Cannabis Management. The director of the Office of Cannabis Management may assign enforcement responsibilities to the Division of Medical Cannabis.

(d) This section shall expire on March 1, 2025.

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

Sec. 5. **TRANSFER OF ACTIVE AND INACTIVE COMPLAINTS.**

(a) The Board of Pharmacy shall transfer all data, including not public data as defined in Minnesota Statutes, section 13.02, subdivision 8a, on active complaints and inactive complaints involving alleged violations of Minnesota Statutes, section 151.72, to the Department of Health. The Board of Pharmacy and Department of Health shall ensure that the transfer takes place in a manner and on a schedule that prioritizes public health.

(b) The Department of Health shall transfer all complaint data described in paragraph (a) to the Office of Cannabis Management at any such time that the powers and duties of the Department of Health with respect to the medical cannabis program under Minnesota Statutes, sections 152.22 to 152.37, are transferred to the Office of Cannabis Management. The director of the Office of Cannabis Management may assign enforcement responsibilities to the Division of Medical Cannabis.

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

Sec. 6. **REPEALER.**

Minnesota Statutes 2022, section 151.72, is repealed.

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

ARTICLE 8

SCHEDULING OF MARIJUANA

Section 1. Minnesota Statutes 2022, section 152.02, subdivision 2, is amended to read:

Subd. 2. **Schedule I.** (a) Schedule I consists of the substances listed in this subdivision.

(b) Opiates. Unless specifically excepted or unless listed in another schedule, any of the following substances, including their analogs, isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of the analogs, isomers, esters, ethers, and salts is possible:

- (1) acetylmethadol;
- (2) allylprodine;
- (3) alphacetylmethadol (except levo-alphacetylmethadol, also known as levomethadyl acetate);
- (4) alphameprodine;
- (5) alphamethadol;
- (6) alpha-methylfentanyl benzethidine;
- (7) betacetylmethadol;
- (8) betameprodine;
- (9) betamethadol;

- (10) betaprodine;
- (11) clonitazene;
- (12) dextromoramide;
- (13) diampromide;
- (14) diethylambutene;
- (15) difenoxin;
- (16) dimenoxadol;
- (17) dimepheptanol;
- (18) dimethylambutene;
- (19) dioxaphetyl butyrate;
- (20) dipipanone;
- (21) ethylmethylthiambutene;
- (22) etonitazene;
- (23) etoxeridine;
- (24) furethidine;
- (25) hydroxypethidine;
- (26) ketobemidone;
- (27) levomoramide;
- (28) levophenacymorphan;
- (29) 3-methylfentanyl;
- (30) acetyl-alpha-methylfentanyl;
- (31) alpha-methylthiofentanyl;
- (32) benzylfentanyl beta-hydroxyfentanyl;
- (33) beta-hydroxy-3-methylfentanyl;
- (34) 3-methylthiofentanyl;
- (35) thenylfentanyl;

- (36) thiofentanyl;
- (37) para-fluorofentanyl;
- (38) morpheridine;
- (39) 1-methyl-4-phenyl-4-propionoxypiperidine;
- (40) noracymethadol;
- (41) norlevorphanol;
- (42) normethadone;
- (43) norpipanone;
- (44) 1-(2-phenylethyl)-4-phenyl-4-acetoxypiperidine (PEPAP);
- (45) phenadoxone;
- (46) phenampromide;
- (47) phenomorphan;
- (48) phenoperidine;
- (49) piritramide;
- (50) proheptazine;
- (51) properidine;
- (52) propiram;
- (53) racemoramide;
- (54) tilidine;
- (55) trimeperidine;
- (56) N-(1-Phenethylpiperidin-4-yl)-N-phenylacetamide (acetyl fentanyl);
- (57) 3,4-dichloro-N-[(1R,2R)-2-(dimethylamino)cyclohexyl]-N-methylbenzamide(U47700);
- (58) N-phenyl-N-[1-(2-phenylethyl)piperidin-4-yl]furan-2-carboxamide(furanylfentanyl);
- (59) 4-(4-bromophenyl)-4-dimethylamino-1-phenethylcyclohexanol (bromadol);
- (60) N-(1-phenethylpiperidin-4-yl)-N-phenylcyclopropanecarboxamide (Cyclopropyl fentanyl);
- (61) N-(1-phenethylpiperidin-4-yl)-N-phenylbutanamide) (butyryl fentanyl);

- (62) 1-cyclohexyl-4-(1,2-diphenylethyl)piperazine (MT-45);
- (63) N-(1-phenethylpiperidin-4-yl)-N-phenylcyclopentanecarboxamide (cyclopentyl fentanyl);
- (64) N-(1-phenethylpiperidin-4-yl)-N-phenylisobutyramide (isobutyryl fentanyl);
- (65) N-(1-phenethylpiperidin-4-yl)-N-phenylpentanamide (valeryl fentanyl);
- (66) N-(4-chlorophenyl)-N-(1-phenethylpiperidin-4-yl)isobutyramide (para-chloroisobutyryl fentanyl);
- (67) N-(4-fluorophenyl)-N-(1-phenethylpiperidin-4-yl)butyramide (para-fluorobutyryl fentanyl);
- (68) N-(4-methoxyphenyl)-N-(1-phenethylpiperidin-4-yl)butyramide (para-methoxybutyryl fentanyl);
- (69) N-(2-fluorophenyl)-2-methoxy-N-(1-phenethylpiperidin-4-yl)acetamide (ocfentanil);
- (70) N-(4-fluorophenyl)-N-(1-phenethylpiperidin-4-yl)isobutyramide (4-fluoroisobutyryl fentanyl or para-fluoroisobutyryl fentanyl);
- (71) N-(1-phenethylpiperidin-4-yl)-N-phenylacrylamide (acryl fentanyl or acryloylfentanyl);
- (72) 2-methoxy-N-(1-phenethylpiperidin-4-yl)-N-phenylacetamide (methoxyacetyl fentanyl);
- (73) N-(2-fluorophenyl)-N-(1-phenethylpiperidin-4-yl)propionamide (ortho-fluorofentanyl or 2-fluorofentanyl);
- (74) N-(1-phenethylpiperidin-4-yl)-N-phenyltetrahydrofuran-2-carboxamide (tetrahydrofuranyl fentanyl); and
- (75) Fentanyl-related substances, their isomers, esters, ethers, salts and salts of isomers, esters and ethers, meaning any substance not otherwise listed under another federal Administration Controlled Substance Code Number or not otherwise listed in this section, and for which no exemption or approval is in effect under section 505 of the Federal Food, Drug, and Cosmetic Act, United States Code , title 21, section 355, that is structurally related to fentanyl by one or more of the following modifications:
- (i) replacement of the phenyl portion of the phenethyl group by any monocycle, whether or not further substituted in or on the monocycle;
 - (ii) substitution in or on the phenethyl group with alkyl, alkenyl, alkoxy, hydroxyl, halo, haloalkyl, amino, or nitro groups;
 - (iii) substitution in or on the piperidine ring with alkyl, alkenyl, alkoxy, ester, ether, hydroxyl, halo, haloalkyl, amino, or nitro groups;
 - (iv) replacement of the aniline ring with any aromatic monocycle whether or not further substituted in or on the aromatic monocycle; or
 - (v) replacement of the N-propionyl group by another acyl group.

(c) Opium derivatives. Any of the following substances, their analogs, salts, isomers, and salts of isomers, unless specifically excepted or unless listed in another schedule, whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

- (1) acetorphine;
- (2) acetyldihydrocodeine;
- (3) benzylmorphine;
- (4) codeine methylbromide;
- (5) codeine-n-oxide;
- (6) cyprenorphine;
- (7) desomorphine;
- (8) dihydromorphine;
- (9) drotebanol;
- (10) etorphine;
- (11) heroin;
- (12) hydromorphanol;
- (13) methyldesorphine;
- (14) methyldihydromorphine;
- (15) morphine methylbromide;
- (16) morphine methylsulfonate;
- (17) morphine-n-oxide;
- (18) myrophine;
- (19) nicocodeine;
- (20) nicomorphine;
- (21) normorphine;
- (22) pholcodine; and
- (23) thebacon.

(d) Hallucinogens. Any material, compound, mixture or preparation which contains any quantity of the following substances, their analogs, salts, isomers (whether optical, positional, or geometric),

and salts of isomers, unless specifically excepted or unless listed in another schedule, whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

- (1) methylenedioxy amphetamine;
- (2) methylenedioxymethamphetamine;
- (3) methylenedioxy-N-ethylamphetamine (MDEA);
- (4) n-hydroxy-methylenedioxyamphetamine;
- (5) 4-bromo-2,5-dimethoxyamphetamine (DOB);
- (6) 2,5-dimethoxyamphetamine (2,5-DMA);
- (7) 4-methoxyamphetamine;
- (8) 5-methoxy-3, 4-methylenedioxyamphetamine;
- (9) alpha-ethyltryptamine;
- (10) bufotenine;
- (11) diethyltryptamine;
- (12) dimethyltryptamine;
- (13) 3,4,5-trimethoxyamphetamine;
- (14) 4-methyl-2, 5-dimethoxyamphetamine (DOM);
- (15) ibogaine;
- (16) lysergic acid diethylamide (LSD);
- (17) mescaline;
- (18) parahexyl;
- (19) N-ethyl-3-piperidyl benzilate;
- (20) N-methyl-3-piperidyl benzilate;
- (21) psilocybin;
- (22) psilocyn;
- (23) tenocyclidine (TCP or TCP);
- (24) N-ethyl-1-phenyl-cyclohexylamine (PCE);
- (25) 1-(1-phenylcyclohexyl) pyrrolidine (PCPy);

- (26) 1-[1-(2-thienyl)cyclohexyl]-pyrrolidine (TCPy);
- (27) 4-chloro-2,5-dimethoxyamphetamine (DOC);
- (28) 4-ethyl-2,5-dimethoxyamphetamine (DOET);
- (29) 4-iodo-2,5-dimethoxyamphetamine (DOI);
- (30) 4-bromo-2,5-dimethoxyphenethylamine (2C-B);
- (31) 4-chloro-2,5-dimethoxyphenethylamine (2C-C);
- (32) 4-methyl-2,5-dimethoxyphenethylamine (2C-D);
- (33) 4-ethyl-2,5-dimethoxyphenethylamine (2C-E);
- (34) 4-iodo-2,5-dimethoxyphenethylamine (2C-I);
- (35) 4-propyl-2,5-dimethoxyphenethylamine (2C-P);
- (36) 4-isopropylthio-2,5-dimethoxyphenethylamine (2C-T-4);
- (37) 4-propylthio-2,5-dimethoxyphenethylamine (2C-T-7);
- (38) 2-(8-bromo-2,3,6,7-tetrahydrofuro [2,3-f][1]benzofuran-4-yl)ethanamine (2-CB-FLY);
- (39) bromo-benzodifuranyl-isopropylamine (Bromo-DragonFLY);
- (40) alpha-methyltryptamine (AMT);
- (41) N,N-diisopropyltryptamine (DiPT);
- (42) 4-acetoxy-N,N-dimethyltryptamine (4-AcO-DMT);
- (43) 4-acetoxy-N,N-diethyltryptamine (4-AcO-DET);
- (44) 4-hydroxy-N-methyl-N-propyltryptamine (4-HO-MPT);
- (45) 4-hydroxy-N,N-dipropyltryptamine (4-HO-DPT);
- (46) 4-hydroxy-N,N-diallyltryptamine (4-HO-DALT);
- (47) 4-hydroxy-N,N-diisopropyltryptamine (4-HO-DiPT);
- (48) 5-methoxy-N,N-diisopropyltryptamine (5-MeO-DiPT);
- (49) 5-methoxy- α -methyltryptamine (5-MeO-AMT);
- (50) 5-methoxy-N,N-dimethyltryptamine (5-MeO-DMT);
- (51) 5-methylthio-N,N-dimethyltryptamine (5-MeS-DMT);

- (52) 5-methoxy-N-methyl-N-isopropyltryptamine (5-MeO-MiPT);
- (53) 5-methoxy- α -ethyltryptamine (5-MeO-AET);
- (54) 5-methoxy-N,N-dipropyltryptamine (5-MeO-DPT);
- (55) 5-methoxy-N,N-diethyltryptamine (5-MeO-DET);
- (56) 5-methoxy-N,N-diallyltryptamine (5-MeO-DALT);
- (57) methoxetamine (MXE);
- (58) 5-iodo-2-aminoindane (5-IAI);
- (59) 5,6-methylenedioxy-2-aminoindane (MDAI);
- (60) 2-(4-bromo-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine (25B-NBOMe);
- (61) 2-(4-chloro-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine (25C-NBOMe);
- (62) 2-(4-iodo-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine (25I-NBOMe);
- (63) 2-(2,5-Dimethoxyphenyl)ethanamine (2C-H);
- (64) 2-(4-Ethylthio-2,5-dimethoxyphenyl)ethanamine (2C-T-2);
- (65) N,N-Dipropyltryptamine (DPT);
- (66) 3-[1-(Piperidin-1-yl)cyclohexyl]phenol (3-HO-PCP);
- (67) N-ethyl-1-(3-methoxyphenyl)cyclohexanamine (3-MeO-PCE);
- (68) 4-[1-(3-methoxyphenyl)cyclohexyl]morpholine (3-MeO-PCMo);
- (69) 1-[1-(4-methoxyphenyl)cyclohexyl]-piperidine (methoxydine, 4-MeO-PCP);
- (70) 2-(2-Chlorophenyl)-2-(ethylamino)cyclohexan-1-one (N-Ethylorketamine, ethketamine, NENK);
- (71) methylenedioxy-N,N-dimethylamphetamine (MDDMA);
- (72) 3-(2-Ethyl(methyl)aminoethyl)-1H-indol-4-yl (4-AcO-MET); and
- (73) 2-Phenyl-2-(methylamino)cyclohexanone (deschloroketamine).

(e) Peyote. All parts of the plant presently classified botanically as *Lophophora williamsii* Lemaire, whether growing or not, the seeds thereof, any extract from any part of the plant, and every compound, manufacture, salts, derivative, mixture, or preparation of the plant, its seeds or extracts. The listing of peyote as a controlled substance in Schedule I does not apply to the nondrug use of peyote in bona fide religious ceremonies of the American Indian Church, and members of the American Indian Church are exempt from registration. Any person who manufactures peyote for

or distributes peyote to the American Indian Church, however, is required to obtain federal registration annually and to comply with all other requirements of law.

(f) Central nervous system depressants. Unless specifically excepted or unless listed in another schedule, any material compound, mixture, or preparation which contains any quantity of the following substances, their analogs, salts, isomers, and salts of isomers whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

- (1) mecloqualone;
- (2) methaqualone;
- (3) gamma-hydroxybutyric acid (GHB), including its esters and ethers;
- (4) flunitrazepam;
- (5) 2-(2-Methoxyphenyl)-2-(methylamino)cyclohexanone (2-MeO-2-deschloroketamine, methoxyketamine);
- (6) tianeptine;
- (7) clonazepam;
- (8) etizolam;
- (9) flubromazepam; and
- (10) flubromazepam.

(g) Stimulants. Unless specifically excepted or unless listed in another schedule, any material compound, mixture, or preparation which contains any quantity of the following substances, their analogs, salts, isomers, and salts of isomers whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

- (1) aminorex;
- (2) cathinone;
- (3) fenethylamine;
- (4) methcathinone;
- (5) methylaminorex;
- (6) N,N-dimethylamphetamine;
- (7) N-benzylpiperazine (BZP);
- (8) methylmethcathinone (mephedrone);
- (9) 3,4-methylenedioxy-N-methylcathinone (methylone);

- (10) methoxymethcathinone (methedrone);
- (11) methylenedioxypropylvalerone (MDPV);
- (12) 3-fluoro-N-methylcathinone (3-FMC);
- (13) methylethcathinone (MEC);
- (14) 1-benzofuran-6-ylpropan-2-amine (6-APB);
- (15) dimethylmethcathinone (DMMC);
- (16) fluoroamphetamine;
- (17) fluoromethamphetamine;
- (18) α -methylaminobutyrophenone (MABP or buphedrone);
- (19) 1-(1,3-benzodioxol-5-yl)-2-(methylamino)butan-1-one (butylone);
- (20) 2-(methylamino)-1-(4-methylphenyl)butan-1-one (4-MEMABP or BZ-6378);
- (21) 1-(naphthalen-2-yl)-2-(pyrrolidin-1-yl) pentan-1-one (naphthylpyrovalerone or naphyrone);
- (22) (alpha-pyrrolidinopentiophenone (alpha-PVP);
- (23) (RS)-1-(4-methylphenyl)-2-(1-pyrrolidinyl)-1-hexanone (4-Me-PHP or MPHP);
- (24) 2-(1-pyrrolidinyl)-hexanophenone (Alpha-PHP);
- (25) 4-methyl-N-ethylcathinone (4-MEC);
- (26) 4-methyl-alpha-pyrrolidinopropiophenone (4-MePPP);
- (27) 2-(methylamino)-1-phenylpentan-1-one (pentedrone);
- (28) 1-(1,3-benzodioxol-5-yl)-2-(methylamino)pentan-1-one (pentylone);
- (29) 4-fluoro-N-methylcathinone (4-FMC);
- (30) 3,4-methylenedioxy-N-ethylcathinone (ethylone);
- (31) alpha-pyrrolidinobutiophenone (α -PBP);
- (32) 5-(2-Aminopropyl)-2,3-dihydrobenzofuran (5-APDB);
- (33) 1-phenyl-2-(1-pyrrolidinyl)-1-heptanone (PV8);
- (34) 6-(2-Aminopropyl)-2,3-dihydrobenzofuran (6-APDB);
- (35) 4-methyl-alpha-ethylaminopentiophenone (4-MEAPP);

- (36) 4'-chloro-alpha-pyrrolidinopropiophenone (4'-chloro-PPP);
- (37) 1-(1,3-Benzodioxol-5-yl)-2-(dimethylamino)butan-1-one (dibutylone, bk-DMBDB);
- (38) 1-(3-chlorophenyl) piperazine (meta-chlorophenylpiperazine or mCPP);
- (39) 1-(1,3-benzodioxol-5-yl)-2-(ethylamino)-pentan-1-one (N-ethylpentylone, ephylone); and

(40) any other substance, except bupropion or compounds listed under a different schedule, that is structurally derived from 2-aminopropan-1-one by substitution at the 1-position with either phenyl, naphthyl, or thiophene ring systems, whether or not the compound is further modified in any of the following ways:

(i) by substitution in the ring system to any extent with alkyl, alkylendioxy, alkoxy, haloalkyl, hydroxyl, or halide substituents, whether or not further substituted in the ring system by one or more other univalent substituents;

(ii) by substitution at the 3-position with an acyclic alkyl substituent;

(iii) by substitution at the 2-amino nitrogen atom with alkyl, dialkyl, benzyl, or methoxybenzyl groups; or

(iv) by inclusion of the 2-amino nitrogen atom in a cyclic structure.

~~(h) Marijuana, tetrahydrocannabinols, and synthetic cannabinoids. Unless specifically excepted or unless listed in another schedule, any natural or synthetic material, compound, mixture, or preparation that contains any quantity of the following substances, their analogs, isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of the isomers, esters, ethers, or salts is possible:~~

~~(1) marijuana;~~

~~(2) tetrahydrocannabinols naturally contained in a plant of the genus Cannabis, except that tetrahydrocannabinols do not include any material, compound, mixture, or preparation that qualifies as industrial hemp as defined in section 18K.02, subdivision 3; synthetic equivalents of the substances contained in the cannabis plant or in the resinous extractives of the plant; or synthetic substances with similar chemical structure and pharmacological activity to those substances contained in the plant or resinous extract, including, but not limited to, 1 cis or trans tetrahydrocannabinol, 6 cis or trans tetrahydrocannabinol, and 3,4 cis or trans tetrahydrocannabinol;~~

~~(3) (h) Synthetic cannabinoids, including the following substances:~~

~~(i) (1) Naphthoylindoles, which are any compounds containing a 3-(1-naphthoyl)indole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the naphthyl ring to any extent. Examples of naphthoylindoles include, but are not limited to:~~

~~(A) (i) 1-Pentyl-3-(1-naphthoyl)indole (JWH-018 and AM-678);~~

- ~~(B)~~ (ii) 1-Butyl-3-(1-naphthoyl)indole (JWH-073);
- ~~(C)~~ (iii) 1-Pentyl-3-(4-methoxy-1-naphthoyl)indole (JWH-081);
- ~~(D)~~ (iv) 1-[2-(4-morpholinyl)ethyl]-3-(1-naphthoyl)indole (JWH-200);
- ~~(E)~~ (v) 1-Propyl-2-methyl-3-(1-naphthoyl)indole (JWH-015);
- ~~(F)~~ (vi) 1-Hexyl-3-(1-naphthoyl)indole (JWH-019);
- ~~(G)~~ (vii) 1-Pentyl-3-(4-methyl-1-naphthoyl)indole (JWH-122);
- ~~(H)~~ (viii) 1-Pentyl-3-(4-ethyl-1-naphthoyl)indole (JWH-210);
- ~~(I)~~ (ix) 1-Pentyl-3-(4-chloro-1-naphthoyl)indole (JWH-398);
- ~~(J)~~ (x) 1-(5-fluoropentyl)-3-(1-naphthoyl)indole (AM-2201).

~~(ii)~~ (2) Naphthylmethylindoles, which are any compounds containing a 1H-indol-3-yl-(1-naphthyl)methane structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the naphthyl ring to any extent. Examples of naphthylmethylindoles include, but are not limited to:

- ~~(A)~~ (i) 1-Pentyl-1H-indol-3-yl-(1-naphthyl)methane (JWH-175);
- ~~(B)~~ (ii) 1-Pentyl-1H-indol-3-yl-(4-methyl-1-naphthyl)methane (JWH-184).

~~(iii)~~ (3) Naphthoylpyrroles, which are any compounds containing a 3-(1-naphthoyl)pyrrole structure with substitution at the nitrogen atom of the pyrrole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the pyrrole ring to any extent, whether or not substituted in the naphthyl ring to any extent. Examples of naphthoylpyrroles include, but are not limited to, (5-(2-fluorophenyl)-1-pentylpyrrol-3-yl)-naphthalen-1-ylmethanone (JWH-307).

~~(iv)~~ (4) Naphthylmethylindenes, which are any compounds containing a naphthylideneindene structure with substitution at the 3-position of the indene ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indene ring to any extent, whether or not substituted in the naphthyl ring to any extent. Examples of naphthylmethylindenes include, but are not limited to, E-1-[1-(1-naphthalenylmethylene)-1H-inden-3-yl]pentane (JWH-176).

~~(v)~~ (5) Phenylacetylindoles, which are any compounds containing a 3-phenylacetylindole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indole ring to any extent, whether or not substituted in the phenyl ring to any extent. Examples of phenylacetylindoles include, but are not limited to:

- ~~(A)~~ (i) 1-(2-cyclohexylethyl)-3-(2-methoxyphenylacetyl)indole (RCS-8);

~~(B)~~ (ii) 1-pentyl-3-(2-methoxyphenylacetyl)indole (JWH-250);

~~(C)~~ (iii) 1-pentyl-3-(2-methylphenylacetyl)indole (JWH-251);

~~(D)~~ (iv) 1-pentyl-3-(2-chlorophenylacetyl)indole (JWH-203).

~~(vi)~~ (6) Cyclohexylphenols, which are compounds containing a 2-(3-hydroxycyclohexyl)phenol structure with substitution at the 5-position of the phenolic ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidiny)methyl or 2-(4-morpholinyl)ethyl group whether or not substituted in the cyclohexyl ring to any extent. Examples of cyclohexylphenols include, but are not limited to:

~~(A)~~ (i) 5-(1,1-dimethylheptyl)-2-[(1R,3S)-3-hydroxycyclohexyl]-phenol (CP 47,497);

~~(B)~~ (ii) 5-(1,1-dimethyloctyl)-2-[(1R,3S)-3-hydroxycyclohexyl]-phenol (Cannabicyclohexanol or CP 47,497 C8 homologue);

~~(C)~~ (iii) 5-(1,1-dimethylheptyl)-2-[(1R,2R)-5-hydroxy-2-(3-hydroxypropyl)cyclohexyl]-phenol (CP 55,940).

~~(vii)~~ (7) Benzoylindoles, which are any compounds containing a 3-(benzoyl)indole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidiny)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indole ring to any extent and whether or not substituted in the phenyl ring to any extent. Examples of benzoylindoles include, but are not limited to:

~~(A)~~ (i) 1-Pentyl-3-(4-methoxybenzoyl)indole (RCS-4);

~~(B)~~ (ii) 1-(5-fluoropentyl)-3-(2-iodobenzoyl)indole (AM-694);

~~(C)~~ (iii) (4-methoxyphenyl-[2-methyl-1-(2-(4-morpholinyl)ethyl)indol-3-yl]methanone (WIN 48,098 or Pravadoline).

~~(viii)~~ (8) Others specifically named:

~~(A)~~ (i) (6aR,10aR)-9-(hydroxymethyl)-6,6-dimethyl-3-(2-methyloctan-2-yl)-6a,7,10,10a-tetrahydrobenzo[c]chromen-1-ol (HU-210);

~~(B)~~ (ii) (6aS,10aS)-9-(hydroxymethyl)-6,6-dimethyl-3-(2-methyloctan-2-yl)-6a,7,10,10a-tetrahydrobenzo[c]chromen-1-ol (Dexanabinol or HU-211);

~~(C)~~ (iii) 2,3-dihydro-5-methyl-3-(4-morpholinylmethyl)pyrrolo[1,2,3-de]-1,4-benzoxazin-6-yl-1-naphthalenylmethanone (WIN 55,212-2);

~~(D)~~ (iv) (1-pentylindol-3-yl)-(2,2,3,3-tetramethylcyclopropyl)methanone (UR-144);

~~(E)~~ (v) (1-(5-fluoropentyl)-1H-indol-3-yl)(2,2,3,3-tetramethylcyclopropyl)methanone (XLR-11);

~~(F)~~ (vi) 1-pentyl-N-tricyclo[3.3.1.1^{3,7}]dec-1-yl-1H-indazole-3-carboxamide (AKB-48(APINACA));

- (~~G~~) (vii) N-((3s,5s,7s)-adamantan-1-yl)-1-(5-fluoropentyl)-1H-indazole-3-carboxamide (5-Fluoro-AKB-48);
- (~~H~~) (viii) 1-pentyl-8-quinolinyl ester-1H-indole-3-carboxylic acid (PB-22);
- (~~I~~) (ix) 8-quinolinyl ester-1-(5-fluoropentyl)-1H-indole-3-carboxylic acid (5-Fluoro PB-22);
- (~~J~~) (x) N-[(1S)-1-(aminocarbonyl)-2-methylpropyl]-1-pentyl-1H-indazole-3-carboxamide (AB-PINACA);
- (~~K~~) (xi) N-[(1S)-1-(aminocarbonyl)-2-methylpropyl]-1-[(4-fluorophenyl)methyl]-1H-indazole-3-carboxamide (AB-FUBINACA);
- (~~L~~) (xii) N-[(1S)-1-(aminocarbonyl)-2-methylpropyl]-1-(cyclohexylmethyl)-1H-indazole-3-carboxamide (AB-CHMINACA);
- (~~M~~) (xiii) (S)-methyl 2-(1-(5-fluoropentyl)-1H-indazole-3-carboxamido)-3-methylbutanoate (5-fluoro-AMB);
- (~~N~~) (xiv) [1-(5-fluoropentyl)-1H-indazol-3-yl](naphthalen-1-yl) methanone (THJ-2201);
- (~~O~~) (xv) (1-(5-fluoropentyl)-1H-benzo[d]imidazol-2-yl)(naphthalen-1-yl)methanone (FUBIMINA);
- (~~P~~) (xvi) (7-methoxy-1-(2-morpholinoethyl)-N-((1S,2S,4R)-1,3,3-trimethylbicyclo[2.2.1]heptan-2-yl)-1H-indole-3-carboxamide (MN-25 or UR-12);
- (~~Q~~) (xvii) (S)-N-(1-amino-3-methyl-1-oxobutan-2-yl)-1-(5-fluoropentyl)-1H-indole-3-carboxamide (5-fluoro-ABICA);
- (~~R~~) (xviii) N-(1-amino-3-phenyl-1-oxopropan-2-yl)-1-(5-fluoropentyl)-1H-indole-3-carboxamide;
- (~~S~~) (xix) N-(1-amino-3-phenyl-1-oxopropan-2-yl)-1-(5-fluoropentyl)-1H-indazole-3-carboxamide;
- (~~T~~) (xx) methyl 2-(1-(cyclohexylmethyl)-1H-indole-3-carboxamido)-3,3-dimethylbutanoate;
- (~~U~~) (xxi) N-(1-amino-3,3-dimethyl-1-oxobutan-2-yl)-1-(cyclohexylmethyl)-1H-indazole-3-carboxamide (MAB-CHMINACA);
- (~~V~~) (xxii) N-(1-Amino-3,3-dimethyl-1-oxo-2-butanyl)-1-pentyl-1H-indazole-3-carboxamide (ADB-PINACA);
- (~~W~~) (xxiii) methyl (1-(4-fluorobenzyl)-1H-indazole-3-carbonyl)-L-valinate (FUB-AMB);
- (~~X~~) (xxiv) N-[(1S)-2-amino-2-oxo-1-(phenylmethyl)ethyl]-1-(cyclohexylmethyl)-1H-Indazole-3-carboxamide. (APP-CHMINACA);
- (~~Y~~) (xxv) quinolin-8-yl 1-(4-fluorobenzyl)-1H-indole-3-carboxylate (FUB-PB-22); and
- (~~Z~~) (xxvi) methyl N-[1-(cyclohexylmethyl)-1H-indole-3-carbonyl]valinate (MMB-CHMICA).

~~(ix)~~ (9) Additional substances specifically named:

~~(A)~~ (i) 1-(5-fluoropentyl)-N-(2-phenylpropan-2-yl)-1 H-pyrrolo[2,3-B]pyridine-3-carboxamide (5F-CUMYL-P7AICA);

~~(B)~~ (ii) 1-(4-cyanobutyl)-N-(2-phenylpropan-2-yl)-1 H-indazole-3-carboxamide (4-CN-Cumyl-Butinaca);

~~(C)~~ (iii) naphthalen-1-yl-1-(5-fluoropentyl)-1-H-indole-3-carboxylate (NM2201; CBL2201);

~~(D)~~ (iv) N-(1-amino-3-methyl-1-oxobutan-2-yl)-1-(5-fluoropentyl)-1 H-indazole-3-carboxamide (5F-ABPINACA);

~~(E)~~ (v) methyl-2-(1-(cyclohexylmethyl)-1H-indole-3-carboxamido)-3,3-dimethylbutanoate (MDMB CHMICA);

~~(F)~~ (vi) methyl 2-(1-(5-fluoropentyl)-1H-indazole-3-carboxamido)-3,3-dimethylbutanoate (5F-ADB; 5F-MDMB-PINACA); and

~~(G)~~ (vii) N-(1-amino-3,3-dimethyl-1-oxobutan-2-yl)-1-(4-fluorobenzyl) 1H-indazole-3-carboxamide (ADB-FUBINACA).

(i) A controlled substance analog, to the extent that it is implicitly or explicitly intended for human consumption.

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

Sec. 2. Minnesota Statutes 2022, section 152.02, subdivision 4, is amended to read:

Subd. 4. **Schedule III.** (a) Schedule III consists of the substances listed in this subdivision.

(b) Stimulants. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a potential for abuse associated with a stimulant effect on the central nervous system, including its salts, isomers, and salts of such isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation:

(1) benzphetamine;

(2) chlorphentermine;

(3) clortermine;

(4) phendimetrazine.

(c) Depressants. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a potential for abuse associated with a depressant effect on the central nervous system:

(1) any compound, mixture, or preparation containing amobarbital, secobarbital, pentobarbital or any salt thereof and one or more other active medicinal ingredients which are not listed in any schedule;

(2) any suppository dosage form containing amobarbital, secobarbital, pentobarbital, or any salt of any of these drugs and approved by the food and drug administration for marketing only as a suppository;

(3) any substance which contains any quantity of a derivative of barbituric acid, or any salt of a derivative of barbituric acid, except those substances which are specifically listed in other schedules;

(4) any drug product containing gamma hydroxybutyric acid, including its salts, isomers, and salts of isomers, for which an application is approved under section 505 of the federal Food, Drug, and Cosmetic Act;

(5) any of the following substances:

(i) chlorhexadol;

(ii) ketamine, its salts, isomers and salts of isomers;

(iii) lysergic acid;

(iv) lysergic acid amide;

(v) methyprylon;

(vi) sulfondiethylmethane;

(vii) sulfonethylmethane;

(viii) sulfonmethane;

(ix) tiletamine and zolazepam and any salt thereof;

(x) embutramide;

(xi) Perampanel [2-(2-oxo-1-phenyl-5-pyridin-2-yl-1,2-Dihydropyridin-3-yl) benzonitrile].

(d) Nalorphine.

(e) Narcotic drugs. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation containing any of the following narcotic drugs, or their salts calculated as the free anhydrous base or alkaloid, in limited quantities as follows:

(1) not more than 1.80 grams of codeine per 100 milliliters or not more than 90 milligrams per dosage unit, with an equal or greater quantity of an isoquinoline alkaloid of opium;

(2) not more than 1.80 grams of codeine per 100 milliliters or not more than 90 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts;

(3) not more than 1.80 grams of dihydrocodeine per 100 milliliters or not more than 90 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts;

(4) not more than 300 milligrams of ethylmorphine per 100 milliliters or not more than 15 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts;

(5) not more than 500 milligrams of opium per 100 milliliters or per 100 grams, or not more than 25 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts;

(6) not more than 50 milligrams of morphine per 100 milliliters or per 100 grams with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

(f) Anabolic steroids, human growth hormone, and chorionic gonadotropin.

(1) Anabolic steroids, for purposes of this subdivision, means any drug or hormonal substance, chemically and pharmacologically related to testosterone, other than estrogens, progestins, corticosteroids, and dehydroepiandrosterone, and includes:

- (i) 3[beta],17[beta]-dihydroxy-5[alpha]-androstane;
- (ii) 3[alpha],17[beta]-dihydroxy-5[alpha]-androstane;
- (iii) androstanedione (5[alpha]-androst-3,17-dione);
- (iv) 1-androstenediol (3[beta],17[beta]-dihydroxy-5[alpha]-androst-1-ene);
- (v) 3[alpha],17[beta]-dihydroxy-5[alpha]-androst-1-ene);
- (vi) 4-androstenediol (3[beta],17[beta]-dihydroxy-androst-4-ene);
- (vii) 5-androstenediol (3[beta],17[beta]-dihydroxy-androst-5-ene);
- (viii) 1-androstenedione (5[alpha]-androst-1-en-3,17-dione);
- (ix) 4-androstenedione (androst-4-en-3,17-dione);
- (x) 5-androstenedione (androst-5-en-3,17-dione);
- (xi) bolasterone (7[alpha],17[alpha]-dimethyl-17[beta]-hydroxyandrost-4-en-3-one);
- (xii) boldenone (17[beta]-hydroxyandrost-1,4-diene-3-one);
- (xiii) boldione (androsta-1,4-diene-3,17-dione);
- (xiv) calusterone (7[beta],17[alpha]-dimethyl-17[beta]-hydroxyandrost-4-en-3-one);
- (xv) clostebol (4-chloro-17[beta]-hydroxyandrost-4-en-3-one);

- (xvi) dehydrochloromethyltestosterone
(4-chloro-17[beta]-hydroxy-17[alpha]-methylandro-1,4-dien-3-one);
- (xvii) desoxymethyltestosterone (17[alpha]-methyl-5[alpha]-andro-2-en-17[beta]-ol);
- (xviii) [delta]1-dihydrotestosterone- (17[beta]-hydroxy-5[alpha]-andro-1-en-3-one);
- (xix) 4-dihydrotestosterone (17[beta]-hydroxy-androstan-3-one);
- (xx) drostanolone (17[beta]hydroxy-2[alpha]-methyl-5[alpha]-androstan-3-one);
- (xxi) ethylestrenol (17[alpha]-ethyl-17[beta]-hydroxyestr-4-ene);
- (xxii) fluoxymesterone
(9-fluoro-17[alpha]-methyl-11[beta],17[beta]-dihydroxyandro-4-en-3-one);
- (xxiii) formebolone
(2-formyl-17[alpha]-methyl-11[alpha],17[beta]-dihydroxyandro-1,4-dien-3-one);
- (xxiv) furazabol
(17[alpha]-methyl-17[beta]-hydroxyandrostan[2,3-c]-furazan)13[beta]-ethyl-17[beta]-hydroxygon-4-en-3-one;
- (xxv) 4-hydroxytestosterone (4,17[beta]-dihydroxyandro-4-en-3-one);
- (xxvi) 4-hydroxy-19-nortestosterone (4,17[beta]-dihydroxyestr-4-en-3-one);
- (xxvii) mestanolone (17[alpha]-methyl-17[beta]-hydroxy-5[alpha]-androstan-3-one);
- (xxviii) mesterolone (1[alpha]-methyl-17[beta]-hydroxy-5[alpha]-androstan-3-one);
- (xxix) methandienone (17[alpha]-methyl-17[beta]-hydroxyandro-1,4-dien-3-one);
- (xxx) methandriol (17[alpha]-methyl-3[beta],17[beta]-dihydroxyandro-5-ene);
- (xxxi) methasterone (2 alpha-17 alpha-dimethyl-5 alpha-androstan-17beta-ol-3-one);
- (xxxii) methenolone (1-methyl-17[beta]-hydroxy-5[alpha]-andro-1-en-3-one);
- (xxxiii) 17[alpha]-methyl-3[beta],17[beta]-dihydroxy-5[alpha]-andro-1-en-3-one);
- (xxxiv) 17[alpha]-methyl-3[alpha],17[beta]-dihydroxy-5[alpha]-andro-1-en-3-one);
- (xxxv) 17[alpha]-methyl-3[beta],17[beta]-dihydroxyandro-4-ene;
- (xxxvi) 17[alpha]-methyl-4-hydroxynandrolone
(17[alpha]-methyl-4-hydroxy-17[beta]-hydroxyestr-4-en-3-one);
- (xxxvii) methyldienolone (17[alpha]-methyl-17[beta]-hydroxyestra-4,9(10)-dien-3-one);
- (xxxviii) methyltrienolone (17[alpha]-methyl-17[beta]-hydroxyestra-4,9-11-trien-3-one);

- (xxxix) methyltestosterone (17[alpha]-methyl-17[beta]-hydroxyandrost-4-en-3-one);
- (xl) mibolerone (7[alpha],17[alpha]-dimethyl-17[beta]-hydroxyestr-4-en-3-one);
- (xli) 17[alpha]-methyl-[delta]1-dihydrotestosterone
(17[beta]-hydroxy-17[alpha]-methyl-5[alpha]-androst-1-en-3-one);
- (xlii) nandrolone (17[beta]-hydroxyestr-4-en-3-one);
- (xliii) 19-nor-4-androstenediol (3[beta],17[beta]-dihydroxyestr-4-ene);
- (xliv) 3[alpha],17[beta]-dihydroxyestr-4-ene; 19-nor-5-androstenediol
(3[beta],17[beta]-dihydroxyestr-5-ene);
- (xlv) 3[alpha],17[beta]-dihydroxyestr-5-ene);
- (xlvi) 19-nor-4,9(10)-androstadienedione (estra-4,9(10)-diene-3,17-dione);
- (xlvii) 19-nor-5-androstenedione (estr-5-en-3,17-dione);
- (xlviii) norbolethone (13[beta],17[alpha]-diethyl-17[beta]-hydroxygon-4-en-3-one);
- (xlix) norclostebol (4-chloro-17[beta]-hydroxyestr-4-en-3-one);
- (l) norethandrolone (17[alpha]-ethyl-17[beta]-hydroxyestr-4-en-3-one);
- (li) normethandrolone (17[alpha]-methyl-17[beta]-hydroxyestr-4-en-3-one);
- (lii) oxandrolone (17[alpha]-methyl-17[beta]-hydroxy-2-oxa-5[alpha]-androstan-3-one);
- (liii) oxymesterone (17[alpha]-methyl-4,17[beta]-dihydroxyandrost-4-en-3-one);
- (liv) oxymetholone
(17[alpha]-methyl-2-hydroxymethylene-17[beta]-hydroxy-5[alpha]-androstan-3-one);
- (lv) prostanazol (17 beta-hydroxy-5 alpha-androstano[3,2-C]pyrazole);
- (lvi) stanozolol (17[alpha]-methyl-17[beta]-hydroxy-5[alpha]-androst-2-eno[3,2-c]-pyrazole);
- (lvii) stenbolone (17[beta]-hydroxy-2-methyl-5[alpha]-androst-1-en-3-one);
- (lviii) testolactone (13-hydroxy-3-oxo-13,17-secoandrosta-1,4-dien-17-oic acid lactone);
- (lix) testosterone (17[beta]-hydroxyandrost-4-en-3-one);
- (lx) tetrahydrogestrinone (13[beta],17[alpha]-diethyl-17[beta]-hydroxygon-4,9,11-trien-3-one);
- (lxi) trenbolone (17[beta]-hydroxyestr-4,9,11-trien-3-one);
- (lxii) any salt, ester, or ether of a drug or substance described in this paragraph.

Anabolic steroids are not included if they are: (A) expressly intended for administration through implants to cattle or other nonhuman species; and (B) approved by the United States Food and Drug Administration for that use;

(2) Human growth hormones.

(3) Chorionic gonadotropin, except that a product containing chorionic gonadotropin is not included if it is:

(i) expressly intended for administration to cattle or other nonhuman species; and

(ii) approved by the United States Food and Drug Administration for that use.

(g) Hallucinogenic substances. Dronabinol (synthetic) in sesame oil and encapsulated in a soft gelatin capsule in a United States Food and Drug Administration approved product.

(h) Any material, compound, mixture, or preparation containing the following narcotic drug or its salt: buprenorphine.

(i) Marijuana, tetrahydrocannabinols, and synthetic cannabinoids. Unless specifically excepted or unless listed in another schedule, any natural or synthetic material, compound, mixture, or preparation that contains any quantity of the following substances, their analogs, isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of the isomers, esters, ethers, or salts is possible:

(1) marijuana;

(2) tetrahydrocannabinols naturally contained in a plant of the genus Cannabis, except that tetrahydrocannabinols do not include any material, compound, mixture, or preparation that qualifies as industrial hemp as defined in section 18K.02, subdivision 3; synthetic equivalents of the substances contained in the cannabis plant or in the resinous extractives of the plant; or synthetic substances with similar chemical structure and pharmacological activity to those substances contained in the plant or resinous extract, including but not limited to 1 cis or trans tetrahydrocannabinol, 6 cis or trans tetrahydrocannabinol, and 3,4 cis or trans tetrahydrocannabinol.

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

ARTICLE 9

APPROPRIATIONS

Section 1. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes of this act. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

The base for this appropriation is \$19,064,000 in fiscal year 2026 and each fiscal year thereafter.

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

Subd. 2. Youth Education -0- 5,000,000

For grants under Minnesota Statutes, section 144.197, subdivision 1.

Subd. 3. Education Grants for Pregnant or Breastfeeding Individuals -0- 2,000,000

For grants under Minnesota Statutes, section 144.197, subdivision 2.

Subd. 4. Local and Tribal Health Departments -0- 10,000,000

For grants under Minnesota Statutes, section 144.197, subdivision 4.

Subd. 5. Cannabis Data Collection and Biennial Reports 493,000 493,000

For reports under Minnesota Statutes, section 144.196.

Subd. 6. Administration for Expungement Orders 71,000 71,000

For administration related to orders issued by the Cannabis Expungement Board. The base for this appropriation is \$71,000 in fiscal year 2026, \$71,000 in fiscal year 2027, \$71,000 in fiscal year 2028, \$71,000 in fiscal year 2029, and \$0 in fiscal year 2030.

Subd. 7. Grants to the Minnesota Poison Control System 910,000 810,000

For grants under Minnesota Statutes, section 145.93.

Subd. 8. Temporary Regulation of Edible Products Extracted from Hemp 1,107,000 1,107,000

For temporary regulation under the health enforcement consolidation act of edible products extracted from hemp. This is a onetime appropriation.

<u>Subd. 9. Testing.</u>	<u>719,000</u>	<u>771,000</u>
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For testing of edible cannabinoid products. The base for this appropriation is \$690,000 in fiscal year 2026 and each fiscal year thereafter.

Sec. 11. <u>HUMAN SERVICES</u>	\$ <u>1,506,000</u>	\$ <u>1,360,000</u>
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Central Office Administration

For the Office of Inspector General to process additional background studies and for the behavioral health, deaf and hard-of-hearing, and housing division to provide data required under Minnesota Statutes, section 342.04, and the consultation requirements under Minnesota Statutes, section 342.72.

Sec. 12. <u>LABOR AND INDUSTRY</u>	\$ <u>116,000</u>	\$ <u>123,000</u>
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Sec. 13. <u>NATURAL RESOURCES</u>	\$ <u>338,000</u>	\$ <u>-0-</u>
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Sec. 14. <u>POLLUTION CONTROL AGENCY</u>	\$ <u>140,000</u>	\$ <u>70,000</u>
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Sec. 15. PUBLIC SAFETY

Subdivision 1. <u>Total Appropriation</u>	\$ <u>18,422,000</u>	\$ <u>11,964,000</u>
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The base for this appropriation is \$10,847,000 in fiscal year 2026 and each fiscal year thereafter. The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <u>Administration</u>	<u>760,000</u>	<u>-0-</u>
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\$760,000 the first year is for a public information campaign relating to automatic expungement of cannabis-related crimes. This appropriation is available until June 30, 2025.

74TH DAY]

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10079

Subd. 3. Bureau of Criminal Apprehension

-0-

3,629,000

Subd. 4. Office of Traffic and Safety

11,485,000

6,117,000

(a) The base for this appropriation is \$5,000,000 in fiscal year 2026 and each fiscal year thereafter.

(b) \$10,000,000 the first year and \$5,000,000 the second year are for the drug evaluation and classification program for drug recognition evaluator training; additional phlebotomists; drug recognition training for peace officers, as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c); and required continuing education training for drug recognition experts. The commissioner must make reasonable efforts to reflect the geographic diversity of the state in making expenditures under this appropriation.

(c) \$1,485,000 the first year and \$1,117,000 the second year are for a roadside testing pilot project. These are onetime appropriations.

Subd. 5. Office of Justice Programs

20,000

-0-

For a grant to Hennepin County to produce the High Intensity Drug Trafficking Area report in article 6, section 72.

Subd. 6. State Patrol

6,157,000

2,218,000

This appropriation is from the trunk highway fund.

Sec. 16. REVENUE

\$

4,559,000 \$

3,931,000

The base for this appropriation is \$3,896,000 in fiscal year 2026 and \$3,897,000 in fiscal year 2027.

Sec. 17. SUPREME COURT

\$

545,000 \$

545,000

These are onetime appropriations.

Sec. 18. UNIVERSITY OF MINNESOTA

\$

2,600,000 \$

2,600,000

(a) The base for this appropriation is \$3,250,000 in fiscal year 2026 and each fiscal year thereafter.

(b) \$2,500,000 each year is to establish a Center for Cannabis Research within the School of Public Health. The center must investigate the effects of cannabis use on health and research other topics related to cannabis, including but not limited to prevention and treatment of substance use disorders, equity issues, education, and decriminalization.

(c) \$100,000 each year is for grants for cannabis genetics and agronomy research and for the creation and maintenance of a University of Minnesota Extension position and a postdoctoral position. The base for this appropriation is \$750,000 in fiscal year 2026 and each fiscal year thereafter. In awarding grants under this paragraph, the University of Minnesota must give priority to applications by researchers who are eligible to be social equity applicants as defined in Minnesota Statutes, section 342.17.

Sec. 19. APPROPRIATION AND BASE REDUCTIONS.

(a) The commissioner of management and budget must reduce general fund appropriations to the commissioner of corrections by \$165,000 in fiscal year 2024 and \$368,000 in fiscal year 2025. The commissioner must reduce the base for general fund appropriations to the commissioner of corrections by \$460,000 in fiscal year 2026 and \$503,000 in fiscal year 2027.

(b) The commissioner of management and budget must reduce general fund appropriations to the commissioner of health by \$260,000 in fiscal year 2025 for the administration of the medical cannabis program. The commissioner must reduce the base for general fund appropriations to the commissioner of health by \$781,000 in fiscal year 2026 and each fiscal year thereafter.

(c) The commissioner of management and budget must reduce state government special revenue fund appropriations to the commissioner of health by \$1,141,000 in fiscal year 2025 for the administration of the medical cannabis program. The commissioner must reduce the base for state government special revenue fund appropriations to the commissioner of health by \$3,424,000 in fiscal year 2026 and each fiscal year thereafter.

Sec. 20. TRANSFERS.

(a) \$1,000,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are transferred from the general fund to the dual training account in the special revenue fund under Minnesota Statutes,

section 136A.246, subdivision 10, for grants to employers in the legal cannabis industry. The base for this transfer is \$1,000,000 in fiscal year 2026 and each fiscal year thereafter. The commissioner may use up to six percent of the amount transferred for administrative costs. The commissioner shall give priority to applications from employers who are, or who are training employees who are, eligible to be social equity applicants under Minnesota Statutes, section 342.17. After June 30, 2025, any unencumbered balance from this transfer may be used for grants to any eligible employer under Minnesota Statutes, section 136A.246.

(b) \$5,500,000 in fiscal year 2024 and \$5,500,000 in fiscal year 2025 are transferred from the general fund to the substance use treatment, recovery, and prevention grant account established under Minnesota Statutes, section 342.72. The base for this transfer is \$5,500,000 in fiscal year 2026 and each fiscal year thereafter.

Sec. 21. OFFICE OF CANNABIS MANAGEMENT; IMPLEMENTATION.

(a) \$3,000,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of agriculture for the planning, research, analysis, and other efforts needed to establish the Office of Cannabis Management and transition programs, authorities, and responsibilities contained in Minnesota Statutes, chapter 342, to that office. This is a onetime appropriation and is available until June 30, 2025.

(b) Upon the effective date of this act, the commissioner of agriculture may exercise all authorities and responsibilities granted to the Office of Cannabis Management under Minnesota Statutes, chapter 342, that are necessary to establish the Office of Cannabis Management and transition programs, authorities, and responsibilities to that office.

(c) On or after January 1, 2024, and at such time that the Office of Cannabis Management is able to fulfill the powers and duties enumerated in Minnesota Statutes, section 342.02, subdivision 2, the commissioner of agriculture may transfer all or some Minnesota Statutes, chapter 342, programs, authorities, and responsibilities to the Office of Cannabis Management. Upon such transfer, existing contracts, obligations, and funds managed by the commissioner of agriculture that are necessary to administer the transferred programs, authorities, or responsibilities shall be transferred to the Office of Cannabis Management.

(d) To the extent practicable, the commissioner of agriculture and the Office of Cannabis Management must comply with Minnesota Statutes, chapter 16C. The commissioner of administration may waive the application of any provision of Minnesota Statutes, chapter 16C, on a case-by-case basis, if the commissioner of agriculture or the Office of Cannabis Management demonstrates that full compliance with Minnesota Statutes, chapter 16C, would be impractical given the effective date or other deadlines established by this act. This exemption expires July 1, 2025.

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

Sec. 22. APPROPRIATION; DEPARTMENT OF PUBLIC SAFETY; BUREAU OF CRIMINAL APPREHENSION.

\$6,656,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of public safety for the Bureau of Criminal Apprehension to identify and provide records of convictions for certain offenses involving the possession of cannabis that may be eligible for expungement and

resentencing; for forensic science services including additional staff, equipment, and supplies; and for the investigation of diversion crimes. This is a onetime appropriation and is available until June 30, 2025.

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

Delete the title and insert:

"A bill for an act relating to cannabis; establishing the Office of Cannabis Management; establishing an advisory council; requiring reports relating to cannabis use and sales; legalizing and limiting the possession and use of cannabis and certain hemp products by adults; providing for the licensing, inspection, and regulation of cannabis businesses and hemp businesses; establishing licensing fees; requiring testing of cannabis flower, cannabis products, and certain hemp products; requiring labeling of cannabis flower, cannabis products, and certain hemp products; limiting the advertisement of cannabis flower, cannabis products, cannabis businesses, and hemp businesses; providing for the cultivation of cannabis in private residences; transferring regulatory authority for the medical cannabis program; providing for Tribal medical programs; taxing the sale of cannabis flower, cannabis products, and certain hemp products; establishing grant and loan programs; clarifying the prohibition on operating a motor vehicle while under the influence of certain products and chemicals; amending criminal penalties; establishing expungement procedures for certain individuals; requiring reports on expungements; providing for expungement of certain evictions; clarifying the rights of landlords and tenants regarding use of certain forms of cannabis; establishing labor standards for the use of cannabis flower, cannabis products, and certain hemp products by employees and testing of employees; providing for the temporary regulation of certain edible cannabinoid products; providing for professional licensing protections; providing for local registration of certain cannabis businesses operating retail establishments; amending the scheduling of marijuana and tetrahydrocannabinols; classifying data; making miscellaneous cannabis-related and hemp-related changes and additions; making clarifying and technical changes; requiring reports; transferring money; appropriating money; amending Minnesota Statutes 2022, sections 13.411, by adding a subdivision; 13.871, by adding a subdivision; 18K.02, subdivision 5; 34A.01, subdivision 4; 97B.065, subdivision 1; 144.99, subdivision 1; 144A.4791, subdivision 14; 151.72; 152.01, subdivision 9, by adding subdivisions; 152.02, subdivisions 2, 4; 152.021, subdivisions 1, 2; 152.022, subdivisions 1, 2; 152.023, subdivisions 1, 2; 152.024, subdivision 1; 152.025, subdivisions 1, 2; 152.11, subdivision 2; 152.22, by adding subdivisions; 152.29, subdivision 4, by adding a subdivision; 152.30; 152.32; 152.33, subdivision 1; 152.35; 169A.03, by adding subdivisions; 169A.20, subdivision 1; 169A.31, subdivision 1; 169A.51, subdivisions 1, 4; 169A.72; 175.45, subdivision 1; 181.938, subdivision 2; 181.950, subdivisions 2, 4, 5, 8, 13, by adding a subdivision; 181.951, subdivisions 4, 5, 6, by adding subdivisions; 181.952, by adding a subdivision; 181.953; 181.954; 181.955; 181.957, subdivision 1; 192A.555; 244.05, subdivision 2; 245C.08, subdivision 1; 256.01, subdivision 18c; 256B.0625, subdivision 13d; 256D.024, subdivisions 1, 3; 256J.26, subdivisions 1, 3; 270B.12, by adding a subdivision; 270C.19, by adding a subdivision; 273.13, subdivision 24; 275.025, subdivision 2; 290.0132, subdivision 29; 290.0134, subdivision 19; 297A.61, subdivision 3; 297A.67, subdivisions 2, 7, by adding a subdivision; 297A.70, subdivisions 2, 4, 18; 297A.85; 297D.01; 297D.04; 297D.06; 297D.07; 297D.08; 297D.085; 297D.09, subdivision 1a; 297D.10; 297D.11; 340A.402, subdivision 1; 340A.412, subdivision 14; 360.0752, subdivision 2; 461.12, by adding a subdivision; 484.014, subdivision 3; 504B.171, subdivision 1; 609.135, subdivision 1; 609.2111; 609.2112, subdivision 1; 609.2113, subdivisions 1, 2, 3; 609.2114, subdivisions 1, 2; 609.5311, subdivision 1; 609.5314, subdivision 1; 609.5316, subdivision 2; 609A.01; 609B.425,

subdivision 2; 609B.435, subdivision 2; 624.712, by adding subdivisions; 624.713, subdivision 1; 624.714, subdivision 6; 624.7142, subdivision 1; 624.7151; proposing coding for new law in Minnesota Statutes, chapters 3; 116J; 116L; 120B; 144; 152; 169A; 270C; 289A; 295; 340A; 477A; 504B; 609A; 624; proposing coding for new law as Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2022, sections 151.72; 152.027, subdivisions 3, 4; 152.21; 152.22, subdivisions 1, 2, 3, 4, 5, 5a, 5b, 6, 7, 8, 9, 10, 11, 12, 13, 14; 152.23; 152.24; 152.25, subdivisions 1, 1a, 1b, 1c, 2, 3, 4; 152.26; 152.261; 152.27, subdivisions 1, 2, 3, 4, 5, 6, 7; 152.28, subdivisions 1, 2, 3; 152.29, subdivisions 1, 2, 3, 3a, 4; 152.291; 152.30; 152.31; 152.32, subdivisions 1, 2, 3; 152.33, subdivisions 1, 1a, 2, 3, 4, 5, 6; 152.34; 152.35; 152.36, subdivisions 1, 1a, 2, 3, 4, 5; 152.37."

We request the adoption of this report and repassage of the bill.

House Conferees: Zack Stephenson, Jessica Hanson, Alicia Kozlowski, Athena Hollins, Nolan West

Senate Conferees: Lindsey Port, Clare Oumou Verbeten, Erin Murphy, Susan Pha

Senator Port moved that the foregoing recommendations and Conference Committee Report on H.F. No. 100 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Senator Rasmusson moved that the recommendations and Conference Committee Report on H.F. No. 100 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 Rasmusson motion.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Duckworth	Jasinski	Lucero	Utke
Anderson	Eichorn	Johnson	Mathews	Weber
Bahr	Farnsworth	Koran	Miller	Wesenberg
Coleman	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 Senators: Housley, Lieske, Miller, Nelson, and Wesenberg.

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 Boldon cast the negative vote on behalf of the following Senators: Dziedzic, Fateh, Mann, and Rest.

The motion did not prevail.

The question recurred on the adoption of the Port 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 Boldon cast the affirmative vote on behalf of the following Senators: Dziedzic, Fateh, Mann, and Rest.

Those who voted in the negative were:

Abeler	Duckworth	Jasinski	Lucero	Utke
Anderson	Eichorn	Johnson	Mathews	Weber
Bahr	Farnsworth	Koran	Miller	Wesenberg
Coleman	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: Housley, Lieske, Miller, Nelson, and Wesenberg.

The motion prevailed. So the recommendations and Conference Committee report were adopted.

H.F. No. 100 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 Boldon cast the affirmative vote on behalf of the following Senators: Fateh, Mann, and Rest.

Those who voted in the negative were:

Abeler	Duckworth	Jasinski	Lucero	Utke
Anderson	Eichorn	Johnson	Mathews	Weber
Bahr	Farnsworth	Koran	Miller	Wesenberg
Coleman	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: Housley, Lieske, Miller, Nelson, and Wesenberg.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 2369.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted May 19, 2023

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 2369: A bill for an act relating to labor; establishing protections for transportation network company drivers; providing a civil action; providing criminal penalties; amending Minnesota Statutes 2022, section 609.2231, subdivision 11; proposing coding for new law as Minnesota Statutes, chapter 181C.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2319, now on General Orders.

MEMBERS EXCUSED

Senator Dahms was excused from the Session of today at 6:25 p.m. Senator Westrom was excused from the Session of today from 10:35 to 10:50 p.m. and from 11:00 to 11:10 p.m. Senator Johnson was excused from the Session of today from 10:40 to 11:00 p.m.

ADJOURNMENT

Senator Dziejdzic moved that the Senate do now adjourn until 4:00 p.m., Saturday, May 20, 2023. The motion prevailed.

